

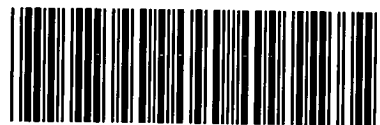
Registered number: 04608698

EQUILEND EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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EQUILEND EUROPE LIMITED

COMPANY INFORMATION

Directors	Brian Lamb Paul Nigrelli
Company secretary	Krista Otis
Registered number	04608698
Registered office	36th Floor One Canada Square London E14 5AA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	Barclays Bank plc One Churchill Place London E14 5HP
Solicitors	Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ

EQUILEND EUROPE LIMITED

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EQUILEND EUROPE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities and business review

The Group comprises of EquiLend Europe Limited and EquiLend Asia Limited. EquiLend Europe Limited is regulated by the Financial Conduct Authority as a multi-lateral trading facility ("MTF"). The Group's principal activity as an authorised firm is acting as an arranger and agent in securities financing transactions and the operator of an electronic platform for the automation and execution of securities financing transactions.

Future developments

The directors expect the Group to continue the operation of its platform and to expand the customer base in the United Kingdom in the short to medium term as has been its aim in previous years. Management and the directors continue to evaluate the impact of Brexit on the Company.

As a result of Brexit, on 9 September 2019, the Company, no longer provides its regulated services to EU/EEA-based counterparties. EquiLend Holdings LLC (the "Parent") has formed a new EU-domiciled Irish entity, EquiLend Limited. EquiLend Limited has been authorized by the Central Bank of Ireland (CBI) to operate as an MTF. As of September 2019, EquiLend Limited now services EU/EEA counterparties, and counterparties from other jurisdictions wishing to have direct access to EU/EEA counterparties.

The directors have planned for this occurrence and continue to make adjustments to the Company's operations to take account of the loss in revenue. In the near term, the Group will receive support from the Parent, in the form of additional equity contributions. Due to the nature of the Group's business, its long-term future is reliant upon EquiLend LLC's continued operation of its electronic platform for the automation and execution of securities financing transactions

After making enquiries, and after considering and taking into account the matters described above, the directors of EquiLend Europe Limited have a reasonable expectation that the Group, in conjunction with support from the Parent, has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements.

Key performance Indicators - financial and non-financial

The directors measure the success of the Group by looking at growth in transaction volumes, turnover, and gross profit margin. See a summary of the key performance indicators in the table below:

	Financial	
	2022	2021
Turnover	\$11.4m	\$11.1m
Gross profit margin	73.3%	68.8%

	Non-Financial	
	2022	2021
Average number of employees:		
- Group	55	45
- Company	49	38

Financial risk management

The Group operates systems and controls to mitigate any adverse effects across the range of risks that it faces. The Group has no significant exposure to price, credit, liquidity or interest rate risk.

EQUILEND EUROPE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Principal risk and uncertainty

The Group's operations expose it to a variety of financial risks, none of which are significant. The Group monitors these risks and seeks to limit the adverse effects on the financial performance of the Group. Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board, but policies are implemented by the Group's finance department.

Credit risk

The amount of exposure to any individual counterparty is monitored and assessed on a case by case basis. The credit risk is primarily in relation to the Group's bank balances.

Liquidity risk

The Group maintains cash reserves ensuring it has sufficient amount available to meet its debts as they fall due. These are monitored at a Company and Group level.

Currency risk

The Group has currency risk due to the UK operation being maintained in GBP. Currency risk is managed by the finance department using forward contracts.

This report was approved by the board on 4/21/2023 and signed on its behalf.

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Paul Nigrelli
Director

EQUILEND EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The loss for the year, after taxation, amounted to \$1,495,659 (2021: loss \$856,292).

No dividend was paid or declared during the year ended 31 December 2022, nor during the year ended 31 December 2021.

Directors

The directors who served during the year were:

Brian Lamb
Paul Nigrelli

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 and profit or loss of the Company and the Group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Qualifying third party indemnity provisions

The Group had qualifying third-party indemnity provision in force in respect to its directors throughout the financial year. Such provision was still in force as at the date this report was approved.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

EQUILEND EUROPE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 4/21/2023 and signed on its behalf.

DocuSigned by:

Paul Nigrelli

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Paul Nigrelli
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUILEND EUROPE LIMITED

Opinion

We have audited the financial statements of EquiLend Europe Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statement of changes in equity, the Consolidated Statement of cash flows and notes to the financial statements, 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 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUILEND EUROPE LIMITED
(CONTINUED)**

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 and of 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.

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 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 Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUILEND EUROPE LIMITED
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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, 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 AUDITOR'S REPORT TO THE MEMBERS OF EQUILEND EUROPE LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and management. We determined that the most significant laws and regulations were United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006, together with UK tax legislation and applicable Financial Conduct Authority (the 'FCA') rules;
- We enquired of the directors and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's board meetings, inspection of the breaches register, inspections of the legal and regulatory correspondence and reports to the FCA;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
 - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
 - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations; and
 - challenging the assumptions and judgements made by management in its significant accounting estimates.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUILEND EUROPE LIMITED
(CONTINUED)**

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
 - knowledge of the industry in which the Company operates; and
 - understanding of the legal and regulatory frameworks applicable to the Company.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its revenue sources, and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the rules and interpretative guidance issued by the Financial Conduct Authority applicable to the Company and the scope of its authorisation; and
 - the Company's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the Company's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Maverall Reynolds
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
21 April 2023

EQUILEND EUROPE LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
Turnover	4	11,439,688	11,108,597
Cost of sales		(3,055,718)	(3,468,827)
Gross profit		8,383,970	7,639,770
Administrative expenses		(9,714,703)	(9,032,458)
Forward contract profit/(loss)		14,556	88,397
Foreign exchange (loss)/gain		(330,606)	(42,107)
Operating loss	5	(1,646,783)	(1,346,398)
Interest receivable and similar income		52,512	1,216
Loss before taxation		(1,594,271)	(1,345,182)
Tax on loss	9	98,612	488,890
Loss for the financial year		(1,495,659)	(856,292)
Loss for the year attributable to:			
Owners of the parent Company		(1,495,659)	(856,292)

All amounts relate to continuing operations.

There was no other comprehensive income for 2022 (2021: \$Nil).

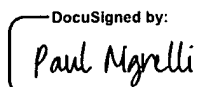
The notes on pages 16 to 30 form part of these financial statements.

EQUILEND EUROPE LIMITED
REGISTERED NUMBER:04608698

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Fixed assets			
Tangible assets	11	100,718	133,185
		<u>100,718</u>	<u>133,185</u>
Current assets			
Debtors: amounts falling due within one year	13	2,317,250	1,927,842
Current asset investments	14	1,631,637	1,606,113
Cash at bank and in hand	15	2,928,813	4,456,725
		<u>6,877,700</u>	<u>7,990,680</u>
Creditors: amounts falling due within one year	16	(3,026,932)	(2,676,720)
Net current assets		<u>3,850,768</u>	<u>5,313,960</u>
Total assets less current liabilities		<u>3,951,486</u>	<u>5,447,145</u>
Net assets		<u>3,951,486</u>	<u>5,447,145</u>
Capital and reserves			
Called up share capital	19	5,965,765	5,965,765
Share premium account	20	2,278,642	2,278,642
Profit and loss account	20	(4,292,921)	(2,797,262)
Equity attributable to owners of the parent Company		<u>3,951,486</u>	<u>5,447,145</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21/4/2023

DocuSigned by:

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Paul Nigrelli
 Director

The notes on pages 16 to 30 form part of these financial statements.

EQUILEND EUROPE LIMITED
REGISTERED NUMBER:04608698

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Fixed assets			
Tangible assets	11	100,718	133,185
Investments	12	99,071	99,071
		<u>199,789</u>	<u>232,256</u>
Current assets			
Debtors: amounts falling due within one year	13	2,067,501	1,729,150
Current asset investments	14	1,631,637	1,606,113
Cash at bank and in hand	15	2,540,568	3,702,876
		<u>6,239,706</u>	<u>7,038,139</u>
Creditors: amounts falling due within one year	16	(2,650,312)	(2,367,862)
Net current assets		<u>3,589,394</u>	<u>4,670,277</u>
Total assets less current liabilities		<u>3,789,183</u>	<u>4,902,533</u>
Net assets		<u><u>3,789,183</u></u>	<u><u>4,902,533</u></u>
Capital and reserves			
Called up share capital	19	5,965,765	5,965,765
Share premium account	20	2,278,642	2,278,642
Profit and loss account brought forward		(3,341,874)	(2,394,331)
Loss for the year		(1,613,350)	(947,543)
Distributions receivable		500,000	-
		<u>(4,455,224)</u>	<u>(3,341,874)</u>
Profit and loss account carried forward		<u><u>3,789,183</u></u>	<u><u>4,902,533</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21/4/2023

DocuSigned by:

Paul Nigrelli

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Paul Nigrelli
Director

The notes on pages 16 to 30 form part of these financial statements.

EQUILEND EUROPE LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2022	5,965,765	2,278,642	(2,797,262)	5,447,145
Comprehensive income for the year				
Loss for the year	-	-	(1,495,659)	(1,495,659)
Total comprehensive income for the year	-	-	(1,495,659)	(1,495,659)
Total transactions with owners	-	-	-	-
At 31 December 2022	5,965,765	2,278,642	(4,292,921)	3,951,486

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2021	3,965,765	2,278,642	(1,940,970)	4,303,437
Comprehensive income for the year				
Loss for the year	-	-	(856,292)	(856,292)
Total comprehensive income for the year	-	-	(856,292)	(856,292)
Shares issued during the year	2,000,000	-	-	2,000,000
At 31 December 2021	5,965,765	2,278,642	(2,797,262)	5,447,145

The notes on pages 16 to 30 form part of these financial statements.

EQUILEND EUROPE LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2022	5,965,765	2,278,642	(3,341,874)	4,902,533
Comprehensive income for the year				
Loss for the year	-	-	(1,613,350)	(1,613,350)
	-	-	(1,613,350)	(1,613,350)
Total comprehensive income for the year				
Distributions receivable	-	-	500,000	500,000
At 31 December 2022	5,965,765	2,278,642	(4,455,224)	3,789,183

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2021	3,965,765	2,278,642	(2,394,331)	3,850,076
Comprehensive income for the year				
Loss for the year	-	-	(947,543)	(947,543)
	-	-	(947,543)	(947,543)
Total comprehensive income for the year				
Shares issued during the year	2,000,000	-	-	2,000,000
At 31 December 2021	5,965,765	2,278,642	(3,341,874)	4,902,533

The notes on pages 16 to 30 form part of these financial statements.

EQUILEND EUROPE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 \$	2021 \$
Cash flows from operating activities		
Loss for the financial year	(1,495,659)	(856,292)
Adjustments for:		
Depreciation of tangible assets	52,907	77,717
Interest received	52,512	(1,216)
Taxation charge/(credit)	(98,612)	(488,890)
Decrease/(increase) in debtors	29,047	(59,339)
Increase in amounts owed by groups	(312,485)	(368,380)
Increase in creditors	286,463	427,632
Decrease in amounts owed to group	70,657	(174,249)
Corporation tax paid	(14,266)	(15,181)
Net fair value gains recognised in P&L	(25,524)	(1,216)
Net cash used in operating activities	(1,454,960)	(1,459,414)
Cash flows from investing activities		
Purchase of tangible fixed assets	(20,440)	(97,715)
Interest received	(52,512)	1,216
Net cash flows used in investing activities	(72,952)	(96,499)
Cash flows from financing activities		
Issue of ordinary shares	-	2,000,000
Net cash generated from financing activities	-	2,000,000
Net (decrease)/increase in cash and cash equivalents	(1,527,912)	444,087
Cash and cash equivalents at beginning of year	4,456,725	4,012,638
Cash and cash equivalents at the end of year	2,928,813	4,456,725
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,928,813	4,456,725

The notes on pages 16 to 30 form part of these financial statements.

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

EquiLend Europe Limited is a limited company incorporated in England and Wales. Its registered office is 36th Floor, One Canada Square, London, E14 5AA.

The Group's principal activity as an authorised firm is acting as an arranger and agent in securities financing transactions and the operator of an electronic platform for the automation and execution of securities financing transactions.

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. Equilend Asia financial statements have been prepared under Hong Kong Financial Reporting Standards ("HKFRSs"). For the preparation of the financial statements all balances have been converted in compliance with FRS 102.

The Group and Company's financial statements are prepared in USD and all values are rounded to the nearest dollar (\$) except when otherwise stated.

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 judgement 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.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of a group and its own subsidiaries ("the Group") as if they formed 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 Statement of financial position, 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.

2.3 Going concern

The parent has confirmed that it will provide financial support to the Group to ensure that both the Company and subsidiary can continue as going concerns for at least one year from the date that the financial statements are approved. Having considered the financial position of the parent, the Company and the subsidiary have a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future. In making that assessment the Company has considered the expected revenue streams and expense base for the Group. Therefore, the directors believe that the going concern basis of preparation is appropriate.

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.4 Turnover**

EquiLend Europe turnover consists of fees from the facilitation of securities lending and borrowing transactions as agent and arranger through EquiLend LLC's electronic trading platform, and is recognised on a trade date basis.

EquiLend Asia turnover consists of fees received in respect to services provided to the global group company, EquiLend LLC. It is recognised in the month the services are rendered and is calculated on a mark-up of costs incurred during that month.

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

2.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures & fittings	- 5 years
Office equipment	- 5 years
Computer equipment	- 3 years
Leasehold improvements	- 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.

2.6 Valuation of investments**Investment in subsidiary company**

Investment in a subsidiary company is held at cost less accumulated impairment losses.

Current asset investments

Investments comprise of shares in a Blackrock Fund, which are measured at fair value. Any changes in fair value are recognised in the Consolidated statement of comprehensive income.

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.7 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.

2.8 Cash

Cash is represented by cash in hand and deposits.

2.9 Creditors

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

2.10 Financial instruments

The Group enters into financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

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

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

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

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

Derivatives, including 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 the Consolidated statement of comprehensive income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.11 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the Statement of financial position date.

Transactions in foreign currencies are translated into dollars at the average monthly rate.

Exchange gains and losses are recognised in the Consolidated statement of comprehensive income.

2.12 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

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

2.13 Pensions**Defined contribution pension plan**

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

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

2.14 Interest income

The Group earns interest income on its current cash accounts and current asset investments and it is recognised on an accruals basis.

2.15 Provisions for liabilities

Provisions are made when 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 profit and loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)
2.16 Current and deferred taxation

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

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

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

No significant judgements have been made in applying the accounting policies. None of the estimates made are expected to have a material impact on the subsequent year financial statements.

4. Turnover

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

	2022 \$	2021 \$
User fees	9,640,667	9,217,133
Services provided to the global group company	1,799,021	1,891,464
	<u>11,439,688</u>	<u>11,108,597</u>

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Operating loss

The operating loss is stated after charging:

	2022	2021
	\$	\$
Depreciation of tangible fixed assets	52,907	77,717
Foreign exchange differences - loss/(gain)	338,799	42,107
Other operating lease rentals	503,390	655,031
	<u>503,390</u>	<u>655,031</u>

6. Auditor's remuneration

	2022	2021
	\$	\$
The auditing of the accounts of the Group pursuant to legislation	37,860	51,303
Audit fees payable to component auditor for the audit of subsidiary	6,960	5,089
	<u>44,820</u>	<u>56,392</u>

Fees payable to the Group's auditor and its associates in respect of:

Taxation compliance services	9,044	12,572
Other assurance services	9,360	10,728
Other accounting services	1,920	2,200
	<u>20,324</u>	<u>25,500</u>

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Employees

Staff costs were as follows:

	Group 2022 \$	<i>Group 2021 \$</i>	Company 2022 \$	<i>Company 2021 \$</i>
Wages and salaries	5,390,546	<i>4,987,848</i>	4,302,032	<i>3,923,523</i>
Social security costs	1,364,961	<i>1,096,602</i>	1,364,961	<i>1,096,602</i>
Cost of defined contribution scheme	745,041	<i>517,267</i>	691,396	<i>462,945</i>
	<u>7,500,548</u>	<i><u>6,601,717</u></i>	<u>6,358,389</u>	<i><u>5,483,070</u></i>

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

	Group 2022 No.	<i>Group 2021 No.</i>	Company 2022 No.	<i>Company 2021 No.</i>
	<u>55</u>	<i><u>45</u></i>	<u>49</u>	<i><u>38</u></i>

8. Directors' remuneration

The highest paid director received remuneration of \$Nil (2021: \$Nil).

9. Taxation

	2022 \$	<i>2021 \$</i>
Foreign tax	7,356	<i>15,181</i>
Total current tax	<u>7,356</u>	<i><u>15,181</u></i>
Deferred tax		
Deferred taxes in current year	(407,056)	<i>(527,652)</i>
Surrendered losses	301,088	<i>23,581</i>
Total deferred tax	<u>(105,968)</u>	<i><u>(504,071)</u></i>
Taxation on loss from ordinary activities	<u>(98,612)</u>	<i><u>(488,890)</u></i>

EQUILEND EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: *higher than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 \$	2021 \$
Loss on ordinary activities before tax	(1,594,271)	(1,345,182)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(302,911)	(255,585)
Effects of:		
Expenses not deductible for tax purposes	17,731	10,038
Fixed asset differences	(421)	(4,173)
Differences in tax rates	(97,694)	(249,587)
Differences in overseas tax rates	(16,405)	(5,041)
Surrendered losses	301,088	23,581
Income not taxable for tax purposes	-	(8,123)
Taxation on loss from ordinary activities	(98,612)	(488,890)

10. Analysis of net debt

	At 1 January 2022 \$	Cash flows \$	At 31 December 2022 \$
Cash at bank and in hand	4,456,725	(1,527,912)	2,928,813
	4,456,725	(1,527,912)	2,928,813

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Tangible fixed assets

Group and Company

	Fixtures & fittings \$	Office equipment \$	Computer equipment \$	Leasehold improve- ments \$	Total \$
Cost or valuation					
At 1 January 2022	132,295	279,500	28,144	284,933	724,872
Additions	-	20,440	-	-	20,440
At 31 December 2022	<u>132,295</u>	<u>299,940</u>	<u>28,144</u>	<u>284,933</u>	<u>745,312</u>
Depreciation					
At 1 January 2022	38,266	242,210	26,449	284,762	591,687
Charge for the year	22,031	29,010	1,695	171	52,907
At 31 December 2022	<u>60,297</u>	<u>271,220</u>	<u>28,144</u>	<u>284,933</u>	<u>644,594</u>
Net book value					
At 31 December 2022	<u><u>71,998</u></u>	<u><u>28,720</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>100,718</u></u>
At 31 December 2021	<u><u>94,029</u></u>	<u><u>37,290</u></u>	<u><u>1,695</u></u>	<u><u>171</u></u>	<u><u>133,185</u></u>

EQUILEND EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Fixed asset investments

Company

	Investments in subsidiary companies \$
Cost or valuation	
At 1 January 2022	99,071
At 31 December 2022	<u>99,071</u>

13. Debtors - amount falling due within one year

	Group 2022 \$	<i>Group 2021 \$</i>	Company 2022 \$	<i>Company 2021 \$</i>
Amounts owed by group undertakings	869,458	556,973	869,458	564,811
Prepayments	301,880	330,925	52,131	124,395
Deferred taxation	1,145,912	1,039,944	1,145,912	1,039,944
	<u>2,317,250</u>	<u>1,927,842</u>	<u>2,067,501</u>	<u>1,729,150</u>

Amounts owed from the Company's ultimate parent undertaking are unsecured, interest free and receivable on demand. Amounts owed by group undertakings comprises amounts receivable from EquiLend LLC.

14. Current asset investments

	Group 2022 \$	<i>Group 2021 \$</i>	Company 2022 \$	<i>Company 2021 \$</i>
Unlisted investments	<u>1,631,637</u>	<u>1,606,113</u>	<u>1,631,637</u>	<u>1,606,113</u>

At the year end, the Group and Company holds 14,461 units (2021: 14,461 units) in a Blackrock US\$ Liquidity Plus Fund, an open ended investment company ("OEIC"). The market value at 31 December 2022 of a share was 112.86 USD each (2021: 110.92 USD each).

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Cash at bank and in hand

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	\$	\$	\$	\$
Cash at bank and in hand	2,928,813	4,456,725	2,540,568	3,702,876

16. Creditors: Amounts falling due within one year

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	\$	\$	\$	\$
Trade creditors	74,090	102,358	74,090	96,613
Amounts owed to group undertakings	80,238	9,581	-	-
Corporation tax	21,846	28,756	5,552	5,552
Other taxation and social security	278,821	252,324	278,821	252,324
Other creditors	66,566	33,254	65,461	33,254
Accruals	2,505,371	2,250,447	2,226,388	1,980,119
	3,026,932	2,676,720	2,650,312	2,367,862

Amounts owed to the Company's ultimate parent undertaking are unsecured, interest free and payable on demand. Amounts owed to group undertakings comprises amounts payable to EquiLend LLC.

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Financial instruments

		Group 2022 \$	Group 2021 \$	Company 2022 \$	Company 2021 \$
Financial assets					
Financial assets measured at fair value through profit or loss	14	1,631,637	1,606,113	1,631,637	1,606,113
Financial assets measured at amortised cost	15	2,928,813	4,456,725	2,540,568	3,702,877
Financial assets that are debt instruments measured at amortised cost	13	869,458	556,973	869,458	564,811
		5,429,908	6,619,811	5,041,663	5,873,801
Financial liabilities					
Financial liabilities measured at fair value through profit or loss		-	-	-	14,556
Financial liabilities measured at amortised cost	16	2,659,699	2,614,710	2,300,478	2,329,056
		2,659,699	2,614,710	2,300,478	2,343,612

Financial assets measured at fair value through profit or loss comprise of current asset investments.

Financial assets measured at amortised cost comprise of cash balances.

Financial assets that are debt instruments measured at amortised cost comprise of amounts owed by group undertakings and other debtors.

Financial liabilities measured at fair value through profit or loss comprise forward contract liabilities.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings and accruals.

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Deferred taxation

Group

	2022	2021
	\$	\$
Group and Company		
At beginning of year	1,039,944	535,873
Charged to profit or loss	407,056	527,652
Surrendered losses	(301,088)	(23,581)
At end of year	<u>1,145,912</u>	<u>1,039,944</u>

The deferred tax asset is made up as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	\$	<i>\$</i>	\$	<i>\$</i>
Accelerated capital allowances	44,917	37,938	44,917	37,938
Carried forward tax losses	1,100,995	1,002,006	1,100,995	1,002,006
	<u>1,145,912</u>	<i><u>1,039,944</u></i>	<u>1,145,912</u>	<i><u>1,039,944</u></i>

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Share capital

	2022	2021
	\$	\$
Allotted, called up and fully paid		
100 (2021: 100) Ordinary shares of \$1.65 each	165	165
5,965,600 (2021: 5,965,600) Ordinary shares of \$1.00 each	5,965,600	5,965,600
	5,965,765	5,965,765

During the year, EquiLend Holdings LLC contributed capital of \$Nil (2021: \$2,000,000) consisting of \$Nil (2021: \$2,000,000) Ordinary shares with a par value of \$1 per share. No amounts are owed in respect of this account.

20. Reserves**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit & loss account

Includes all current and prior period retained profits and losses.

21. Pension commitments

The amount recognised in the Consolidated statement of comprehensive income as an expense in relation to the Group's defined contribution schemes is \$745,041 (2021: \$517,267). There were no amounts owing at the year end (2021: \$Nil).

22. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	Group	Company	Company
	2022	2021	2022	2021
	\$	\$	\$	\$
Not later than 1 year	994,923	673,256	331,641	331,641
Later than 1 year but not later than 5 years	569,358	1,232,640	341,615	663,282
	1,564,281	1,905,896	673,256	994,923

EQUILEND EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. Related party transactions

The Company has entered into an agreement with EquiLend LLC, a fellow subsidiary of EquiLend Holdings LLC, under which the Company receives brokerage services including the facilitation of securities financing transactions.

A total amount of \$3,055,718 (2021: \$3,468,827) in respect of such services has been charged to the Consolidated statement of comprehensive income during the year. Also under the agreement, EquiLend LLC collects user fees on behalf of the Company. Such fees are allocated to the Company when the Company is designated as the operating entity in the underlying user agreement between the Company, EquiLend LLC and the user.

All of the Group's and Company's turnover during the year was receivable from EquiLend LLC.

Key management consists of the directors. See note 8 for disclosure of directors' remuneration.

24. Post balance sheet events

There have been no significant events affecting the Group since the year end.

25. Controlling party

The Company's immediate parent undertaking and controlling related party, by virtue of its 100% shareholding, is EquiLend Holdings LLC, a limited liability company incorporated in the United States. The largest and smallest group of undertakings for which group accounts have been drawn up including the Company is that headed by EquiLend Holdings LLC.

26. Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Equilend Asia Limited	Suite 1603, Central Tower, 28 Queens Road Central, Central, Hong Kong	Provision of administrative services to its group companies.	Ordinary	100%