

WINTERFLOOD SECURITIES US CORPORATION
Statement of Financial Condition (unaudited)
January 31, 2021

WINTERFLOOD SECURITIES US CORPORATION
Table of Contents
January 31, 2021

	Page(s)
Statement of Financial Condition	1
Notes to the Financial Statement.....	2-4

WINTERFLOOD SECURITIES US CORPORATION
Statement of Financial Condition (unaudited)
January 31, 2021

Assets

Cash	\$	872,616
Due from affiliate		108,747
Fail to Deliver		18,801
Other assets		9,720
Total assets	\$	<u>1,009,884</u>

Liabilities and Stockholder's Equity

A/P Customer	\$	18,801
Accounts payable and other accrued expenses		<u>47,497</u>
Stockholder's equity		
Common stock (\$.0001 par value, 2,000 shares authorized, 890 shares issued and outstanding)		-
Additional paid-in capital		890,000
Retained earnings		<u>53,586</u>
Total stockholder's equity		<u>943,586</u>
Total liabilities and stockholder's equity	\$	<u>1,009,884</u>

WINTERFLOOD SECURITIES US CORPORATION
Notes to the Financial Statement
For the period ended January 31, 2021

1. Organization and Nature of Business

The following is a summary of the significant accounting policies followed by the Company.

Winterflood Securities US Corporation (the "Company") is a wholly-owned subsidiary of Winterflood Securities Holdings Limited (the "Parent") and was formed on July 20, 2018. The Company was approved as a broker-dealer with the Securities and Exchange Commission (the "SEC") and the Financial Industry Regulatory Authority ("FINRA") August 20, 2019.

The Company accepts and executes orders from major U.S. Institutional Investors, as defined in SEC Rule 15a-6 (the "Rule"), primarily for foreign securities. The Company may also act as a member of a selling group in selected underwritings on a best efforts basis and may conduct a private placement business. The Company shall transmit orders in foreign securities to an affiliate for execution and clearing pursuant to a Brokerage Services Agreement between the Company and Winterflood Securities Limited ("Affiliate"), a limited company organized under the laws of the United Kingdom.

2. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies followed by the Company.

Basis of Presentation

The financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases*, which replaces the existing guidance in ASC 840, *Leases*. The new standard establishes a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of operations. The guidance will be effective for annual reporting periods beginning after December 15, 2018, and early adoption is permitted. The Company has evaluated the impact of ASU 2016-02 and has determined it currently has no leases which meet the criteria of this ASU, accordingly there will be no impact to its financial statement.

Cash

The Company maintains its cash balances with financial institutions which, at times, exceed federally-insured limits. At January 31, 2021, the Company held its cash at a major bank, in an amount that exceeded federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on its accounts.

WINTERFLOOD SECURITIES US CORPORATION
Notes to the Financial Statement
For the period ended January 31, 2021

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from these estimates.

Income Taxes

The Company recognizes income taxes under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that all or some portion of the deferred tax assets will not be realized.

3. Related-Party Transactions

The Company has entered into an Expense Sharing Agreement (“ESA”) as of August 20, 2019 with the Affiliate whereby the Affiliate is to provide employment related and office and administrative related services to the Company.

In addition, as per the terms of the ESA, the Affiliate shall pay to the Company an amount equal to 108%, or such other mark-up as may be agreed from time to time, of all of the expenses of the Company.

There is a net Due from affiliate in the amount of \$108,747 on the Statement of Financial Condition.

4. Income Taxes

The Company provides for income taxes in accordance with the asset and liability method and recognizes deferred income taxes for the expected future tax consequences of differences in the book and tax bases of assets and liabilities and available net operating loss carryforwards.

The Company adopted the general accounting principle regarding uncertain tax positions. Management believes that the Company does not have any uncertain tax positions as of January 31, 2021. Generally, the Company’s tax returns are subject to examination by federal, state, and local authorities for all periods since inception. The Company recognizes and measures its unrecognized tax positions in accordance with FASB Accounting Standards Codification 740, *Income Taxes*. Under that guidance, the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax positions is adjusted when new information is available, or when an event occurs that requires a change. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any periods in progress.

WINTERFLOOD SECURITIES US CORPORATION
Notes to the Financial Statement
For the period ended January 31, 2021

5. Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. The Company has elected to use the alternative method permitted by the Rule, which requires the Company to maintain a minimum net capital equal to \$250,000. At January 31, 2021, the Company's net capital was approximately \$825,000, which was approximately \$575,000 in excess of its minimum requirement of \$250,000.

6. Exemption from Rule 15c3-3

The Company claims exemption from the provisions of SEC Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions from exemption appearing in paragraph (k)(2)(i) of the Rule.