

SEC
Mail Processing
Section
JUN 23 2020
Washington DC
415

SECURITIES A
W



20013093

OMB APPROVAL
Number: 3235-0123
Date: August 31, 2020
Estimated average burden
per response: 12.00

ANNUAL
FORM X-17A-5
PART III

SEC FILE NUMBER
8-69286

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/2019 AND ENDING 12/31/2019
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Aldwych Securities LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

546 Fifth Avenue - 18th Floor

(No. and Street)

New York

(City)

NY

(State)

10036

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Thomas Hopkins

603-216-8933

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained on this Report*

Sobel & Company

(Name - if individual, state last, first, middle name)

293 Eisenhower Pkwy

(Address)

Livingston

(City)

NJ

(State)

07039

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See 240.17a-5(e)(2).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Aldwych Securities LLC
Financial Statements and Supplementary Information
Pursuant to Rule 17a-5 Under the Securities Exchange Act of 1934
December 31, 2019

OATH OR AFFIRMATION

I, Mark Bishop, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of Aldwych Securities LLC, as of December 31, 2019, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer, or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Signature

Mark J. Bishop
Authorized Signatory

Subscribed and sworn to before me this 26th day of May, 2020 by Mark J. Bishop

Christian Brito
Notary Public

CHRISTIAN BRITO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 25, 2020

This report* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors.
- (g) Computation of net capital for brokers and dealers pursuant to Rule 15c3-1.
- (h) Computation for determination of reserve requirements pursuant to Rule 15c3-3.
- (i) Information relating to the possession or control requirements for brokers and dealers under Rule 15c3-3.
- (j) A reconciliation, including appropriate explanation, of the computation of net capital under Rule 15c3-1 and the computation for determination of the reserve requirements under exhibit A of Rule 15c3-3.
- (k) A reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An oath or affirmation.
- (m) A copy of the Securities Investor Protection Corporation (SIPC) supplemental report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent Auditors' Report on Internal Control.
- (p) Schedule of Segregation Requirements and Funds in Segregation - customer's regulated commodity futures account pursuant to Rule 171-5

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



293 Eisenhower Parkway
Livingston, NJ 07039-1711
Office: 973.994.9494
Fax: 973.994.1571
www.sobelco.com

**REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

To the Member
Aldwych Securities LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Aldwych Securities LLC (“Company”) as of December 31, 2019, and the related notes (collectively, “financial statements”). In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Aldwych Securities LLC as of December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 6 to the financial statements, the Company has suffered reoccurring losses from operations, has negative operating cash flows, and has a net capital deficiency throughout the year, all of which raise substantial doubt about its ability to continue as a going concern. Management’s evaluation of the events and conditions and management's plans regarding those matters are also described in Note 6. The financial statement does not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

The financial statement is the responsibility of Aldwych Securities LLC’s management. Our responsibility is to express an opinion on Aldwych Securities LLC’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to Aldwych Securities LLC in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.



Certified Public Accountants

We have served as Aldwych Securities LLC's auditors since 2017.

Livingston, New Jersey
April 26, 2020



Aldwych Securities LLC
Statement of Financial Condition
December 31, 2019

ASSETS

Cash	\$ 6,224
Prepaid expenses	4,482
TOTAL ASSETS	<u>\$ 10,706</u>

LIABILITIES & EQUITY

Liabilities	
Accounts Payable and accrued expenses	\$ 2,250
Total Liabilities	<u>2,250</u>
Member's Equity	8,456
TOTAL LIABILITIES & MEMBER'S EQUITY	<u>\$ 10,706</u>

The accompanying notes are an integral part of these financial statements.

Aldwych Securities LLC
Notes to Financial Statements
December 31, 2019

1. Organization

Aldwych Securities LLC (the "Company"), a wholly-owned subsidiary of Aldwych LLC (the "Parent"), is a limited liability company and was formed under the laws of the State of New York. Prior to October 14, 2016 the Company was wholly-owned by Aldwych Capital Partners, LLC (the "Affiliate") and was assigned to the Parent on that date. The Company is a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA").

2. Significant Accounting Policies

Basis of Financial Statement Presentation

The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results may differ from such estimates and such differences may be material to the financial statements.

Revenue Recognition

Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The Company provides advisory services on mergers and acquisitions (M&A). Revenue for advisory arrangements is generally recognized at the point in time that performance under the arrangement is completed (the closing date of the transaction) or the contract is cancelled. However, for certain contracts, revenue is recognized over time for advisory arrangements in which the performance obligations are simultaneously provided by the Company and consumed by the customer. In some circumstances, significant judgement is needed to determine the timing and measure of progress appropriate for revenue recognition under a specific contract. Retainers and other fees received from customers prior to recognizing revenue are reflected as contract liabilities.

Significant judgment is required to determine whether performance obligations are satisfied at a point in time or over time; how to allocate transaction prices where multiple performance obligations are identified; when to recognize revenue based on the appropriate measure of the Company's progress under the contract; whether revenue should be presented gross or net of certain costs; and whether constraints on variable consideration should be applied due to uncertain future events.

Aldwych Securities LLC
Notes to Financial Statements
December 31, 2019

2. Significant Accounting Policies – continued

Income Taxes

As a single member LLC whose Parent is also a single member LLC, the Company's taxable income or loss is reported on the tax returns of its ultimate member.

At December 31, 2019, management has determined that the Company had no uncertain tax positions that would require financial statement recognition. This determination will always be subject to ongoing reevaluation as facts and circumstances may require.

3. Related-Party Transactions

The Company maintains an administrative services agreement with the Parent and an Affiliate. Pursuant to the agreement, the Parent and the Affiliate provide accounting, administration, information technology, compliance services, office space, employee services and other services. The Parent and Affiliate provide these services at no cost to the Company. Management has estimated that the value of the services provided to the Company for the year ended December 31, 2019, was approximately \$50,900.

4. Net Capital Requirements

The Company is subject to SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of a minimum net capital, as defined, shall not be less than \$5,000 and maintenance of the ratio of aggregate indebtedness to net capital, both as defined, not to exceed 15 to 1. At December 31, 2019, the Company was undercapitalized and the firm's net capital was \$3,974 which was under its required capital by \$1,026. The Company's ratio of aggregate indebtedness to net capital was .57 to 1.

The Company operates pursuant to the paragraph (k)(2)(i) exemption provision of the Securities and Exchange Commission Rule 15c3-3, of the customer protection rules, and does not hold customer funds or securities. Therefore, there are no reserve requirements and no possession and control requirements.

Aldwych Securities LLC
Notes to Financial Statements
December 31, 2019

5. Commitments and Contingencies

The Company had no underwriting commitments, no contingent liabilities and had not been named as defendant in any lawsuit at December 31, 2019 or during the year then ended.

6. Future Operations

The Company has experienced a net loss, negative operating cash flows, and has not met their net capital requirements throughout the year ended December 31, 2019. The Company does not possess the liquidity required to fund the next twelve months of operations without additional revenue sources, member capital contributions or debt financing. The financial statements do not reflect any adjustments to reflect a liquidation basis.

The Parent has made a commitment to provide necessary working capital to continue the operations of the Company. The Parent has pledged to do so for the immediate future.

7. Subsequent Event

For disclosure purposes in the financial statements, the Company has evaluated subsequent events through April 26, 2020 the date the financial statements were available to be issued and there are no material events that would require adjustment to, or disclosure in, the Company's financial statements.