

Squared Limited

Annual Report and Financial Statements

For the year ended 31 December 2020



Company Registration No. 09203934 (England and Wales)

Squared Limited

Company Information

Directors	C Smyth G Malone
Company number	09203934
Registered office	One Connaught Place London W2 2ET
Auditor	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Squared Limited

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Squared Limited

Strategic Report

For the year ended 31 December 2020

The Directors present the Strategic Report for the year ended 31 December 2020.

Principle Activities

The Company is regulated by the Financial Conduct Authority (FCA) and authorised to provide wealth management services, including discretionary management services, investment advice, debt advice and cash management.

Review of the Business

The Company is being used as a vehicle to hold strategic investments, on behalf of its parent company, and thus facilitate the Group's corporate strategy. To date, the Company has invested in two companies.

Outlook

The Company will continue to review investment opportunities in line with the Group's corporate strategy.

Principle Risks and Uncertainties

The business recognises there are a number of categories of risk to which the business will be exposed to if not already; these encapsulate both risks that are specific to the Company and those which are relevant to the financial services market in general.

Regulatory Risk

The Company is regulated by the Financial Conduct Authority in respect of its investment and wealth management business in the United Kingdom. Failure to comply with the regulations set out by the FCA could lead to disciplinary action, financial penalties and reputational damage. The Risk and Compliance Team is responsible for ensuring that the Company meets all regulatory requirements.

Operational Risk

Operational risk will arise where there is a risk resulting from the failure of any of the Company's processes, systems and controls.

The Company has documented policies and procedures designed to minimise operational risks in its principal lines of business and as a growing firm is developing and refining these on a continuing basis.

Employee Risk

The Company does not have any direct employees but leverages the people resources of its parent company, when necessary. The parent company recognises that its employees are its most valuable resource and therefore it seeks to recruit and retain the highest calibre staff.

Foreign Exchange Risk

A proportion of Squared's management and performance fees are likely to be billed in foreign currencies, and to this extent the Company will be exposed to fluctuations in foreign exchange rates. As only a small proportion of the Company's anticipated income is billed in foreign currency and due to the expense involved, Squared has chosen not to actively hedge any foreign currency exposure at this time.

Squared Limited

Strategic Report (Continued)

For the year ended 31 December 2020

Market and Investment Risk

Squared does not run its own trading book and so is only exposed to market risk in the sense that any impact on the Company's assets under management, as a result of negative market movements, would be likely to have an impact on the revenues earned from management and performance fees charged on client portfolios. Investment risk may also stem from a fall in markets or through the inappropriate management of clients' portfolios, the knock-on of any such investment risk may be a failure to satisfy clients' investment objectives and hence poor client retention.

Whilst it is not possible (and may not be desirable) to eliminate all market risk, the Company's policy is to construct diversified portfolios for clients and allocate funds across asset classes and regions in order to minimise the impact of a fall in any single market or asset class. In addition, the Risk and Compliance team independently monitor the activities of the Investment Team in order to ensure that the level of risk in a portfolio is appropriate for its client and that excessive risks are not being taken.

Credit Risk

A large proportion of the Company's assets are held in its own bank accounts and therefore the Company chooses to hold its own assets with only a small number of high quality institutions who have strong credit profiles.

Exposure to credit risk in relation to the potential non-payment of fees is kept to a minimum as any fees due are generally remitted by the client's bank from the account managed in their name by the Company. To this extent the greater source of credit risk in respect of these relationships could be seen to be the credit worthiness of the banking institution; as with its own assets, the Company advises clients only to bank with high quality financial institutions.


Brexit Risk

The Company deems its exposure to this risk to be minimal.

Coronavirus risk

Whilst there remains uncertainties about potential future impacts these have lessened substantially in the last year. The Company deems its direct exposure to be minimal, but accepts there might be indirect impacts via one of its investments.

On behalf of the Board



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C Smyth
Director
.....

Squared Limited

Directors' Report

For the year ended 31 December 2020

The Directors present their annual report and financial statements for the year ended 31 December 2020.

Directors

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

C Smyth
G Malone

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The Directors do not recommend payment of a final dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The Directors are responsible for preparing the annual 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 Company 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.

Statement of disclosure to auditor

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

Pillar 3 capital

Details of the Company's unaudited Pillar 3 disclosures, required under section 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") are included as an appendix to the financial statements.

Squared Limited

Directors' Report (Continued)

For the year ended 31 December 2020

Information contained in The Strategic Report

The Company has chosen in accordance with the Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of principal activities, future developments and key performance indicators.

On behalf of the Board



.....
C Smyth

Director

Date: 26 April 2021.....

Squared Limited

Independent Auditor's Report

To the Members of Squared Limited

Opinion

We have audited the financial statements of Squared Limited (the 'company') for the year ended 31 December 2020 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity, the 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 FRS 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 company's affairs as at 31 December 2020 and of its 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 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

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 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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.

Squared Limited

Independent Auditor's Report (Continued)

To the Members of Squared Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

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 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 company or to cease operations, or have no realistic alternative but to do so.

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.

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

Squared Limited

Independent Auditor's Report (Continued)

To the Members of Squared Limited

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, the rules of the Financial Conduct Authority and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Squared Limited

Independent Auditor's Report (Continued)

To the Members of Squared Limited

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Ryan Day (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

26/04/2021

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Squared Limited

Income Statement

For the year ended 31 December 2020

	Notes	2020 £	2019 £
Administrative expenses		(1,127)	(1,536)
Loss before taxation		(1,127)	(1,536)
Taxation	2	-	-
Loss for the financial year		(1,127)	(1,536)
Total comprehensive income for the year		(1,127)	(1,536)

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

The Company has taken advantage of FRS102 section 3 paragraph 3.19 to present only an Income Statement as it has no items of other comprehensive income.

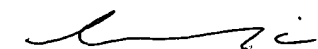
Squared Limited

Balance Sheet

As at 31 December 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	4		55,000		55,000
Current assets					
Debtors	6	2,467		-	
Cash at bank and in hand		71,742		75,336	
		<u>74,209</u>		<u>75,336</u>	
Creditors: amounts falling due within one year	7	<u>(55,000)</u>		<u>(55,000)</u>	
Net current assets			19,209		20,336
Total assets less current liabilities			<u>74,209</u>		<u>75,336</u>
Capital and reserves					
Called up share capital	8		80,004		80,004
Profit and loss reserves			<u>(5,795)</u>		<u>(4,668)</u>
Total equity			<u>74,209</u>		<u>75,336</u>

The financial statements were approved by the Board of Directors and authorised for issue on ..26 April 2021.. and are signed on its behalf by:



.....
C Smyth
Director

Company Registration No. 09203934

Squared Limited

Statement of Changes in Equity

For the year ended 31 December 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2019		80,004	(3,132)	76,872
		<u> </u>	<u> </u>	<u> </u>
Period ended 31 December 2019:				
Loss and total comprehensive income for the year		-	(1,536)	(1,536)
		<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2019		80,004	(4,668)	75,336
		<u> </u>	<u> </u>	<u> </u>
Period ended 31 December 2020:				
Profit and total comprehensive income for the year		-	(1,127)	(1,127)
		<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2020		80,004	(5,795)	74,209
		<u> </u>	<u> </u>	<u> </u>

Squared Limited

Statement of Cash Flows

For the year ended 31 December 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	11		(3,594)		53,464
Investing activities					
Purchase of fixed asset investments		-		(55,000)	
Net cash used in investing activities			-		(55,000)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(3,594)		(1,536)
Cash and cash equivalents at beginning of year			75,336		76,872
Cash and cash equivalents at end of year			<u>71,742</u>		<u>75,336</u>

Squared Limited

Notes to the Financial Statements

For the year ended 31 December 2020

1 Accounting policies

Company information

Squared Limited is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is One Connaught Place, London, W2 2ET.

1.1 Accounting convention

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

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

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the balance sheet date the Company had net assets of £74,209 (2019: £75,336). Due to the nature of the business, the COVID-19 pandemic did not have a significant impact on the Company in the year. Given the level of net assets and the small amount of transactions that occur in the Company, the COVID-19 pandemic is considered unlikely to have a significant effect on the ability of the Company to continue trading for a period of at least 12 months from the date of approval of these financial statements. The continuing impact on the Company being monitored by the Directors and is anticipated to be minimal, although there may be an indirect impact on the value of its investment base. For this reason, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	3 years straight line
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1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.5 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The Company has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

Squared Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

1 Accounting policies

(Continued)

1.7 Equity instruments

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

1.8 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Squared Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

2 Taxation

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

	2020 £	2019 £
Loss before taxation	(1,127)	(1,536)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)</i>	(214)	(292)
Unutilised tax losses carried forward	214	292
Taxation charge for the year	-	-

The Company has tax losses carried forward amounting to £41,156 (2019 - £40,029).

3 Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2020 and 31 December 2020	2,246
Depreciation and impairment	
At 1 January 2020 and 31 December 2020	2,246
Carrying amount	
At 31 December 2020	-
At 31 December 2019	-

4 Fixed asset investments

	2020 £	2019 £
Unlisted investments	55,000	55,000

Squared Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2020 & 31 December 2020	55,000
Carrying amount	
At 31 December 2020	55,000
At 31 December 2019	55,000

5 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,106	-
Equity instruments measured at cost less impairment	55,000	55,000
Carrying amount of financial liabilities		
Measured at amortised cost	55,000	55,000

6 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	2,106	-
Prepayments and accrued income	361	-
	2,467	-

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	55,000	55,000

Squared Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

8 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
80,004 ordinary shares of £1 each	80,004	80,004
	<u>80,004</u>	<u>80,004</u>

The shares have attached to them full voting, dividend and capital distribution rights (including on winding up), and do not confer any rights of redemption.

9 Related party transactions

No remuneration was paid to the Directors in the current or preceding financial year.

Squared Limited has taken the exemption under FRS 102 from the requirement to disclose transactions with wholly owned members of the group.

There were no other related party transactions that required disclosure under FRS 102.

10 Controlling party

The immediate parent company is Signia Wealth Limited, a company incorporated in England and Wales.

There is no single ultimate controlling party.

11 Cash generated from operations

	2020 £	2019 £
Loss for the year after tax	(1,127)	(1,536)
Movements in working capital:		
(Increase) in debtors	(2,467)	-
Increase in creditors	-	55,000
Cash (absorbed by)/generated from operations	<u>(3,594)</u>	<u>53,464</u>

Squared Limited

Additional Non Statutory Information
For The Year Ended 31 December 2020
Appendix 1

PILLAR 3 DISCLOSURE STATEMENT

The Capital Requirements Directive ('the Directive') of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment firms must maintain. In the United Kingdom, the Directive has been implemented by the Financial Conduct Authority ('FCA') in its regulations through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU').

The FCA framework consists of three 'Pillars':

- Pillar 1 sets out the minimum capital amount that meets the firm's credit, market and operational risk;
- Pillar 2 requires the firm to assess whether its Pillar 1 capital is adequate to meet its risks and is subject to annual review by the FCA; and
- Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position.

The Pillar 3 rules in BIPRU 11 set out the need for firms to have a formal disclosure policy. In accordance with the rules of the Financial Conduct Authority ("FCA") Squared Limited will disclose the information set out in BIPRU 11 (the Pillar 3 rule) on at least an annual basis. In accordance with BIPRU 11.3.3(2) this disclosure has been assessed by Squared Limited's Senior Management to comprehensively convey Squared Limited's risk profile to market participants. The Pillar 3 disclosure will be made in the firm's annual report and accounts.

We are permitted to omit required disclosures if they believe that the information is immaterial such that omission would be unlikely to change or influence the decision of a reader relying on that information.

In addition, we may omit required disclosures where they believe that the information is regarded as proprietary or confidential. In the view of the Directors, proprietary information is that which, if it were shared, would undermine their competitive position. Information is considered to be confidential where there are obligations binding them to confidentiality with their customers, suppliers and counterparties.

Scope and application of the requirements

Squared Limited ("the Firm") is authorised and regulated by the Financial Conduct Authority and as such is subject to minimum regulatory capital requirements. The Firm is categorised as a limited licence firm by the FCA for capital purposes. It is a wealth management firm and as such has no trading book exposures.

The Firm is not a member of an EEA sub-group and so is not required to prepare consolidated reporting for prudential purposes.

Risk Management

The Firm is governed by its Directors ("Principals") who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the Firm's governance arrangements along with designing and implementing a risk management framework that recognizes the risks that the business faces.

Squared Limited

Additional Non Statutory Information For The Year Ended 31 December 2020 Appendix 1 (Continued)

The Principals also determine how the risk our business faces may be mitigated and assess on an ongoing basis the arrangements to manage those risks. The Principals meet on a regular basis and discuss current projections for profitability, cash flow, regulatory capital and management, and business planning and risk management. The Principals manage the Firm's business risks through a framework of policy and procedures having regard to relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The Principals have identified business risks in the form of loss of clients as the main areas of risk to which the Firm is exposed. Annually the Principals formally review their risks, controls and other risk mitigation arrangements and assess their effectiveness. Where the Principals identify material risks they consider the financial impact of these risks as part of the Firm's business planning and capital management and conclude whether the amount of regulatory capital is adequate.

Regulatory Capital

The Firm is a limited liability Company and its capital arrangements are established in its articles.

Capital Item	£,000
Tier 1 capital less innovative tier 1 capital	74
Total tier 2, innovative tier 1 and tier 3 capital	-
Deductions from tier 1 and tier 2 capital	-
Total capital resources, net of deductions	74

The Firm's market risk is limited to foreign exchange risk on its accounts receivable in foreign currency, prolonged downturn of the global equity markets, and credit risk from management and performance fees receivable from the funds under its management. The Firm follows the standardised approach to market risk and the simplified standard approach to credit risk. The Firm is subject to the Fixed Overhead Requirement and is not required to calculate an operational risk capital charge though it considers this as part of its process to identify the level of risk based capital required.

As discussed above the firm is a limited licence firm and as such its capital requirements are the greater of:

Its base capital requirement of €50,000; or
The sum of its market and credit risk requirements; or
Its fixed overhead requirement.

We have not identified credit risk exposure classes or the minimum capital requirements for market risk as we believe that they are immaterial. We have not identified a fixed overhead requirement on the basis that there is currently no recurring expenditure.

It is the Firm's experience that the base capital requirement establishes its capital requirements and hence market and credit risks are considered not to be material.

As at 31 December 2020 the Firm's Regulatory Requirement is £45,000, current capital of £74,000 exceeds the requirement by £29,000. As such the Firm's regulatory solvency ratio is 164%

Squared Limited

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Appendix 2

REMUNERATION CODE DISCLOSURE

Governance

The purpose of the Remuneration Code is to ensure firms establish, implement and maintain remuneration policies, procedures and practices that are consistent with, and promote, sound and effective risk management.

The Remuneration Code applies to 'Remuneration Code Staff' ('Code Staff'). This includes senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the Firm's risk profile.

Squared Limited has considered the contribution that can be made by a remuneration committee. In order to take a proportionate approach given the size and non-complex nature of both the activities undertaken and the organisation, Squared Limited has decided that the Board will undertake the role which would otherwise be undertaken by a remuneration committee. This is in line with guidance provided by the FCA for tier 4 firms under the Remuneration Code. The Board will be responsible for setting Squared Limited's policy on remuneration.

Squared Limited's Remuneration Policy will be reviewed, at least, annually by the Board to ensure that it remains consistent with the Remuneration Code Principles and Squared Limited's objectives. The Board will use all information available to it in order to carry out its responsibilities under the code, for example, information on risk and financial performance. In addition, the Compliance Officer, as part of Squared Limited's regulatory monitoring, will include a review of the implementation of this policy by the Firm.

Quantitative remuneration information

Squared Limited is required to disclose aggregate information on remuneration in respect of its Code Staff, broken down by business area and by senior management and other Code Staff. The relatively small size and lack of complexity of the firm's business is such that Squared Limited only has the one business area, investment management and does not regard itself as operating, or needing to operate, separate 'business areas' and the following aggregate remuneration data should be read in that context.

Aggregate Information on Remuneration: Management and Risk Takers

	Remuneration for Financial Year 2020
Staff whose actions have a material impact on the firm's risk profile.	£nil

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Appendix 3

UK Stewardship Code Compliance

Rule 2.2.3 of the Conduct of Business Sourcebook of the Financial Conduct Authority ("FCA") Handbook requires Squared Limited ("the firm") to make a public disclosure in relation to the nature of our commitment to the UK Stewardship Code ("the Code") published by the Financial Reporting Council ("FRC").

The Code aims to enhance the quality of engagement between institutional investors and UK companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. It sets out good practice on engagement with UK investee companies and is to be applied by firms on a "comply or explain" basis. The FRC recognises that not all parts of the Code will be relevant to all institutional investors and that smaller institutions may judge some of the principles and guidance to be disproportionate. It is of course legitimate for some asset managers not to engage with companies, depending on their investment strategy, and in such cases firms are required to explain why it is not appropriate to comply with a particular principle.

The seven principles of the Code are that institutional investors should:

- publicly disclose their policy on how they will discharge their stewardship responsibilities;
- have and publicly disclose a robust policy on managing conflicts of interest in relation to stewardship;
- monitor their investee companies;
- establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value;
- be willing to act collectively with other investors where appropriate;
- have a clear policy on voting and disclosure of voting activity; and
- report periodically on their stewardship and voting activities.

The Firm does not currently comply with the Code, whilst the Firm adheres to the highest standards of corporate governance and due diligence in respect of its investments, the Firm, having considered the Code, considers that its principles are not generally applicable to its investment activities. The Firm determines its approach to stewardship on a case by case basis, taking into account the actions that will lead to the most favourable outcome for the value of its investment.

Should this change, we will review our commitment to the Code at that time and make appropriate disclosure.