

Company Registration No. 09170961 (England and Wales)

**SQUARE GLOBAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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# SQUARE GLOBAL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	H.J. Uzan A. Boublil D.P. Even Y. Sarfati
<b>Company number</b>	09170961
<b>Registered office</b>	843 Finchley Road London NW11 8NA
<b>Auditor</b>	Glazers 843 Finchley Road London NW11 8NA

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# SQUARE GLOBAL LIMITED

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# SQUARE GLOBAL LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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The directors present the strategic report for the year ended 30 September 2018.

### Fair review of the business

The company is authorised and regulated in the United Kingdom by the Financial Conduct Authority and in the United States by the National Futures Association.

The directors are satisfied with the results for the year.

### Principal risks and uncertainties

#### Currency risk

Foreign exchange risk arises from cash flows relating to commercial transactions and recognised assets and liabilities. Transaction exposure occurs when the Company receives or pays cash in a currency different from GB pounds, the functional currency of the entity.

#### Credit risk

The Company is exposed to concentrations of credit risk. Trade debtors are concentrated in the financial institutions sector and amounted to £4,447,398 (2017: £3,232,220).

#### Liquidity risk

As part of the company's obligations under the Capital Requirements Directive, an Internal Capital Adequacy Assessment Process (ICAAP) document is prepared annually. The ICAAP is used by the Board to assess the Company's risks, determine the actions necessary to mitigate those risks and the current and future capital requirements. Following BIPRU 12 Liquidity Standards, the company maintains a Liquidity Policy to manage liquidity risk.

### Development and performance

At the year end the company had net assets of £7,167,731 (2017: £4,693,226).

In January 2017 we opened a branch office in France.

In September 2017 we incorporated subsidiary company Square Global Holdings (U.S.) Inc. in the United States. Via this subsidiary we acquired a 100% interest in US based brokerage firm Blue Vase Securities LLC. The LLC subsequently changed its name to Square Global U.S. LLC.

Our client base has grown significantly and we continue exploring avenues for further growth.

### Key performance indicators

The company's turnover increased by 51% during the year. The key performance indicator is profit before tax of £6,320,147 (2017: £4,676,156).

On behalf of the board



H.J. Uzan

Director

22/01/2019

# **SQUARE GLOBAL LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 30 SEPTEMBER 2018***

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The directors present their annual report and financial statements for the year ended 30 September 2018.

#### **Principal activities**

The company's principal activity continued to be that of an interdealer brokerage firm.

#### **Branches**

The company has a branch office in France.

#### **Directors**

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

H.J. Uzan  
A. Boulil  
D.P. Even  
Y. Sarfati

#### **Results and dividends**

The results for the year are set out on page 6.

Ordinary interim dividends were paid amounting to £2,606,161. The directors do not recommend payment of a final dividend.

#### **Financial instruments**

##### ***Liquidity risk***

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

##### ***Foreign currency risk***

The company's principal foreign currency exposures arise from trading with overseas companies and in currencies other than its functional currency. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

##### ***Credit risk***

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

##### ***Future developments***

So far, we have been led by our clients and their needs, and this will remain the case. On one hand, we are continuing to expand our coverage in the markets where we are already active, on the other we are exploring several new markets where our clients would benefit from our value-added approach, and where there is a perceived need for our services.

#### **Auditor**

Glazers were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# SQUARE GLOBAL LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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### 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.

On behalf of the board



H.J. Uzan

Director

Date: 23.01.2019

# SQUARE GLOBAL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SQUARE GLOBAL LIMITED

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#### Opinion

We have audited the financial statements of Square Global Limited (the 'company') for the year ended 30 September 2018 which comprise the statement of comprehensive income, 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 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### 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.

#### 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 have been prepared in accordance with applicable legal requirements.

# SQUARE GLOBAL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SQUARE GLOBAL LIMITED

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#### 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 strategic report and 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.

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

#### 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.

  
Philippe Herszaft ACA (Senior Statutory Auditor)  
for and on behalf of Glazers

Chartered Accountants  
Statutory Auditor

22 January 2019

843 Finchley Road  
London  
NW11 8NA



# SQUARE GLOBAL LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2018

		Year ended 30 September 2018 £	Year ended 30 September 2017 £
	Notes		
Turnover	3	18,628,222	12,309,039
Cost of sales		(4,632,132)	(3,166,009)
<b>Gross profit</b>		<b>13,996,090</b>	<b>9,143,030</b>
Administrative expenses		(7,676,654)	(4,466,905)
<b>Operating profit</b>	4	<b>6,319,436</b>	<b>4,676,125</b>
Interest receivable and similar income	7	711	31
<b>Profit before taxation</b>		<b>6,320,147</b>	<b>4,676,156</b>
Tax on profit	8	(1,239,481)	(1,057,071)
<b>Profit for the financial year</b>		<b>5,080,666</b>	<b>3,619,085</b>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# SQUARE GLOBAL LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	10		111,712		136,995
<b>Current assets</b>					
Debtors	13	5,923,480		3,766,157	
Cash at bank and in hand		3,745,697		2,446,590	
		<u>9,669,177</u>		<u>6,212,747</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(2,607,511)</u>		<u>(1,650,869)</u>	
<b>Net current assets</b>			7,061,666		4,561,878
<b>Total assets less current liabilities</b>			7,173,378		4,698,873
<b>Provisions for liabilities</b>	15		(5,647)		(5,647)
<b>Net assets</b>			<u>7,167,731</u>		<u>4,693,226</u>
<b>Capital and reserves</b>					
Called up share capital	18		180,002		180,002
Profit and loss reserves	19		6,987,729		4,513,224
<b>Total equity</b>			<u>7,167,731</u>		<u>4,693,226</u>

The financial statements were approved by the board of directors and authorised for issue on 23.09.2019 and are signed on its behalf by:

.....  
H.J. Uzan  
Director

Company Registration No. 09170961

# SQUARE GLOBAL LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2016</b>		180,003	4,104,177	4,284,180
<b>Period ended 30 September 2017:</b>				
Profit and total comprehensive income for the period		-	3,619,085	3,619,085
Dividends	9	-	(3,210,038)	(3,210,038)
Reduction of shares	18	(1)	-	(1)
<b>Balance at 30 September 2017</b>		180,002	4,513,224	4,693,226
<b>Period ended 30 September 2018:</b>				
Profit and total comprehensive income for the period		-	5,080,666	5,080,666
Dividends	9	-	(2,606,161)	(2,606,161)
<b>Balance at 30 September 2018</b>		180,002	6,987,729	7,167,731

# SQUARE GLOBAL LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	4,854,351		5,512,352	
Income taxes paid		(949,794)		(1,728,522)	
<b>Net cash inflow from operating activities</b>		<u>3,904,557</u>		<u>3,783,830</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(17,585)	
Interest received		711		31	
<b>Net cash generated from/(used in) investing activities</b>		<u>711</u>		<u>(17,554)</u>	
<b>Financing activities</b>					
Redemption of shares		-		(1)	
Dividends paid		(2,606,161)		(3,210,038)	
<b>Net cash used in financing activities</b>		<u>(2,606,161)</u>		<u>(3,210,039)</u>	
<b>Net increase in cash and cash equivalents</b>		<u>1,299,107</u>		<u>556,237</u>	
Cash and cash equivalents at beginning of year		2,446,590		1,890,353	
<b>Cash and cash equivalents at end of year</b>		<u><u>3,745,697</u></u>		<u><u>2,446,590</u></u>	

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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### 1 Accounting policies

#### Company information

Square Global Limited is a private company limited by shares incorporated in England and Wales. The registered office is 843 Finchley Road, London, NW11 8NA.

#### 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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents commissions receivable on brokerage services.

#### 1.4 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:

Land and buildings Leasehold	5 years
Fixtures, fittings & equipment	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash at bank and in hand

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.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and 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 profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

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

#### 1.8 Equity Instruments

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

#### 1.9 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.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 1 Accounting policies

(Continued)

#### 1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Commissions	18,628,222	12,309,039

	2018 £	2017 £
<b>Other significant revenue</b>		
Interest income	711	31

	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	17,772,578	12,098,039
France	855,644	211,000
	18,628,222	12,309,039

### 4 Operating profit

	2018 £	2017 £
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(337,787)	(328,450)
Depreciation of owned tangible fixed assets	25,283	28,226

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

#### 4 Operating profit (Continued)

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £337,787 (2017 - £328,450).

#### 5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	21,750	18,000
<b>For other services</b>		
Other assurance services	3,995	5,130
All other non-audit services	23,143	-
	27,138	5,130

The non audit services are in respect of regulatory reporting requirements and tax compliance services.

#### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Brokers	25	18
Administrative	3	2
	28	20

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	3,890,632	2,015,888
Social security costs	553,208	275,248
Pension costs	14,718	17,493
	4,458,558	2,308,629

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

#### 7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Other interest income	711	31

#### 8 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,221,387	1,057,086
Adjustments in respect of prior periods	(70,902)	(15)
Total UK current tax	1,150,485	1,057,071
Foreign current tax on profits for the current period	88,996	-
Total current tax	1,239,481	1,057,071

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

	2018 £	2017 £
Profit before taxation	6,320,147	4,676,156
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.50%)	1,200,828	911,850
Tax effect of expenses that are not deductible in determining taxable profit	89,713	144,303
Adjustments in respect of prior years	-	(15)
Effect of change in corporation tax rate	-	(74)
Double tax relief	(52,764)	-
Depreciation in excess of capital allowances	1,704	1,007
Taxation charge for the period	1,239,481	1,057,071

#### 9 Dividends

	2018 £	2017 £
Interim paid	2,606,161	3,210,038

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 10 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 October 2017 and 30 September 2018	43,037	141,309	184,346
<b>Depreciation and impairment</b>			
At 1 October 2017	17,215	30,136	47,351
Depreciation charged in the year	8,607	16,676	25,283
At 30 September 2018	25,822	46,812	72,634
<b>Carrying amount</b>			
At 30 September 2018	17,215	94,497	111,712
At 30 September 2017	25,822	111,173	136,995

### 11 Subsidiaries

Details of the company's subsidiaries at 30 September 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Square Global Holdings (US) Inc.	USA	Investment holding company	Ordinary	100.00	
Square Global Markets US LLC	USA	Dormant	Ordinary		100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Square Global Holdings (US) Inc.	1	1
Square Global Markets US LLC	186,600	186,600

Square Global Holdings (US) Inc. was incorporated on 12 September 2017 and issued 1 ordinary share of \$0.01 on the same date.

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 12 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	5,764,856	3,647,290
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,692,785	1,116,219

### 13 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	4,447,398	3,232,220
Corporation tax recoverable	54,559	-
Amounts owed by group undertakings	1,079,981	400,170
Other debtors	254,874	22,226
Prepayments and accrued income	86,668	111,541
	5,923,480	3,766,157

### 14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	43,941	126,578
Corporation tax	801,301	457,055
Other taxation and social security	113,425	77,595
Other creditors	68,285	47,342
Accruals and deferred income	1,580,559	942,299
	2,607,511	1,650,869

### 15 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	16	5,647	5,647

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
<b>Balances:</b>		
Accelerated capital allowances	5,647	5,647

There were no deferred tax movements in the year.

### 17 Retirement benefit schemes

	2018 £	2017 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	14,718	17,493

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 18 Share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
18,000,000 Ordinary shares of 1p each	180,000	180,000
2 Ordinary 'C' and 'H' shares (2016: 'B' 'C' & 'H') of £1 each	2	2
	180,002	180,002

Each ordinary £0.01 share carries one vote and has equal rights to dividends.  
Each ordinary £1 share is entitled to a fixed dividend plus a share of desk profit. They carry no voting rights.

### 19 Profit and loss reserves

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 19 Profit and loss reserves

(Continued)

	2018 £	2017 £
At the beginning of the year	4,513,224	4,104,177
Profit for the year	5,080,666	3,619,085
Dividends declared and paid in the year	(2,606,161)	(3,210,038)
At the end of the year	<u>6,987,729</u>	<u>4,513,224</u>

### 20 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>2,377,680</u>	<u>2,940,718</u>

At the year end £1,079,981 (2017: £400,170) was owed by the subsidiary company Square Global Holdings Inc. This amount is interest free and repayable upon demand.

### 21 Directors' transactions

Dividends totalling £2,377,680 (2017 - £2,940,718) were paid in the year in respect of shares held by the company's directors.

### 22 Controlling party

In the opinion of the directors there is no ultimate controlling party in the period under review.

# SQUARE GLOBAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 23 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	5,080,666	3,619,085
<b>Adjustments for:</b>		
Taxation charged	1,239,481	1,057,071
Investment income	(711)	(31)
Depreciation and impairment of tangible fixed assets	25,283	28,226
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(2,102,764)	437,141
Increase in creditors	612,396	370,860
<b>Cash generated from operations</b>	<u>4,854,351</u>	<u>5,512,352</u>



**SQUARE GLOBAL LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

# SQUARE GLOBAL LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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	Year ended 30 September 2018 £	Year ended 30 September 2017 £
<b>Turnover</b>		
Commission receivable	18,628,222	12,309,039
<b>Cost of sales</b>		
Commissions payable	4,632,132	3,166,009
	<u>(4,632,132)</u>	<u>(3,166,009)</u>
<b>Gross profit</b>	13,996,090	9,143,030
<b>Administrative expenses</b>	<u>(7,676,654)</u>	<u>(4,466,905)</u>
<b>Operating profit</b>	6,319,436	4,676,125
<b>Investment revenues</b>		
Other interest received - not on financial instruments	711	31
	<u>711</u>	<u>31</u>
<b>Profit before taxation</b>	<u>6,320,147</u>	<u>4,676,156</u>

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# SQUARE GLOBAL LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
<b>Administrative expenses</b>		
Wages and salaries	3,890,632	2,015,888
Social security costs	553,208	275,248
Staff welfare	22,683	3,462
Staff pension costs defined contribution	14,718	17,493
Rent re licences and other	214,272	183,653
Rates	64,119	48,258
Cleaning	19,099	9,704
Property repairs and maintenance	11,781	-
Insurance	75,429	52,063
Computer running costs	198,669	130,113
Travelling expenses	393,790	106,830
Professional subscriptions	986,448	734,176
Legal and professional fees	383,559	113,437
Consultancy fees	309,659	-
Accountancy	39,828	28,442
Audit fees	21,750	18,000
Charitable donations	81,000	120,438
Bank charges	8,812	3,298
Bad and doubtful debts	108,378	349,404
Printing and stationery	1,041	1,313
Advertising	10,850	4,958
Telecommunications	226,619	157,384
Entertaining	352,411	390,612
Sundry expenses	403	2,955
Depreciation	25,283	28,226
Profit or loss on foreign exchange	(337,787)	(328,450)
	<u>7,676,654</u>	<u>4,466,905</u>