

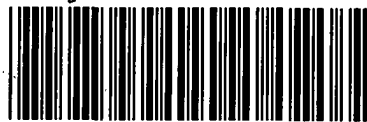
**Registration No. OC393269**

**Squarepoint Capital LLP**

**Members' Report and Audited Financial Statements**

**For the year ended 31 December 2022**

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**Squarepoint Capital LLP**

**Registration No: OC393269**

**General Information**

**Designated members**

Squarepoint UK Holdco 1 Limited  
Squarepoint UK Holdco 2 Limited

**Registered Office**

Citypoint  
One Ropemaker Street,  
London  
EC2Y 9AW

**Banker**

Barclays Partnership PLC  
1 Churchill Place  
Canary Wharf  
London  
E15 5HP

**Auditor**

Ernst & Young LLP  
25 Churchill Place  
Canary Wharf, London  
E14 5EY

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Index**

	<b>Page</b>
Members' Report	1
Statement of Members' Responsibilities	4
Independent Auditor's Report	5
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Members' Capital	10
Cash Flow Statement	11
Notes to the Financial Statements	12

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Members' Report  
For the year ended 31 December 2022**

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The members present their Members' Report for Squarepoint Capital LLP (the "Partnership") with the financial statements for the year ended 31 December 2022.

**Principal activities**

The principal activity of the Partnership is to provide sub-investment management services to Squarepoint Master Fund Limited ("Master Fund"), Squarepoint Core Master Fund Limited ("Core Master Fund"), Squarepoint Focus Master Fund Limited ("Focus Master Fund"), Squarepoint Atlas Master Fund Limited ("Atlas Master Fund"), Squarepoint AC Master Fund Limited ("AC Master Fund"), Squarepoint Moebius Master Fund Limited ("Moebius Master Fund") and Squarepoint Arini Credit Master Fund Limited ("Arini Master Fund") (collectively, "the Funds"). The Partnership expects to continue its current activities.

**Business review**

The audited financial statements for the Partnership are shown on pages 8 to 22. The profit for the year after taxation amounted to £140,932,229 (2021: £43,043,695).

During the year, the Partnership expanded its investments research and investment management teams and considers the future prospects of the Partnership to be good. The Partnership is authorised and regulated by the Financial Conduct Authority ("FCA").

When MiFID II became applicable on 3 January 2018, the Partnership began paying for European research from its Research Payment Account ("RPA"). This RPA account is funded with expense reimbursement revenue from the Master Fund and Core Master Fund in relation to the research expense charged to the respective funds.

The Partnership monitors performance on an on-going basis.

**Designated members**

The following designated members hold office at the date of this statement:

Squarepoint UK Holdco 1 Limited  
Squarepoint UK Holdco 2 Limited

**Policy on members' drawings**

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at 'par', so the retiring members are repaid their capital at 'par'.

**Staff**

The Partnership averaged 300 employees in 2022 (2021: 235).

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Members' Report (continued)  
For the year ended 31 December 2022**

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**Principal risks and uncertainties**

The Partnership's business carries a number of risks and uncertainties. Details of the Partnership's financial risks are as follows:

*Foreign currency exchange risks*

The Partnership engages in related company transactions denominated in currencies other than Great British Pounds. The Partnership primarily has transactional currency exposures arising from payments that are denominated in United States Dollars (USD). Management monitors the exposure to this, however no active management of this risk is undertaken.

*Credit risk*

Credit risk is the potential exposure of the Partnership to loss in the event of non-performance by a counterparty. The Partnership controls credit risk through credit approval processes for new counterparties. The Partnership minimises exposure to credit risk by monitoring of creditworthiness of all counterparties.

*Liquidity risk*

Liquidity risk is the risk that the sources of funding for the Partnership's business activities may not be available. This risk is managed via detailed budgeting and cash management techniques and is monitored by the Partnership's senior management.

*Operational risk*

Operational risk is the risk of a loss or other adverse consequences arising from inadequate or failed internal processes, people and systems, or from external events. The Partnership mitigates its operational risk exposures through the implementation of an effective control environment.

*Legal, regulatory and compliance risk*

This category includes the risk of non-compliance with applicable legal and regulatory frameworks, in particular those of the FCA. The Partnership has established procedures that are designed to ensure compliance with applicable statutory and regulatory requirements. The Partnership has established internal policies relating to ethics and business conduct, compliance with applicable legal and regulatory requirements, as well as training and other procedures designed to ensure that these policies are followed.

**Members' liabilities**

The Partnership has not provided any indemnities to its Members at any time during the financial period or at the time when the members' report is approved.

**Financial Instruments**

Pursuant to its BiPRU authorisation, the Partnership does not use or hold financial instruments for its own account.

**Charitable and political contributions**

The Partnership (either individually or as an entity) made no charitable donations in 2022 (2021: nil).

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Members' Report (continued)  
For the year ended 31 December 2022**

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**Going concern**

Based on projected cash requirements and available resources, the members have a reasonable expectation that the Partnership has adequate resources (both financial and regulatory) to continue in operational existence for a period of twelve months. Furthermore, the members are not aware of any material uncertainties that may cast significant doubt upon the Partnership's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

We do not foresee any impact on the entity's ability to continue as a Going Concern for the next twelve months and the Parent has committed to providing additional funding in the event that it is required to fund the Partnership's continuing operations. Refer to note 2 for more details.

**Events since the statement of financial position date**

There have been no events after the statement of financial position date which require disclosure in these financial statements.

**Statement of disclosure to auditors**

In the case of each of the persons who are members at the time when the report is approved, there is no relevant audit information of which the Partnership's auditors are unaware. Additionally, the members have taken all the necessary steps that they ought to have taken as members in order to make themselves aware of all relevant audit information and to establish that the Partnership's auditors are aware of that information.

**Auditors**

The auditors, Ernst & Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

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Russell Morgan  
Director of Squarepoint UK Holdco 1 Limited  
Designated member  
21 April 2023

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Statement of Members' Responsibilities  
For the year ended 31 December 2022**

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The members are responsible for preparing the Members' report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under those regulations the members have elected to prepare the Partnership's financial statements in accordance with UK adopted International Accounting Standards ("IAS") as applied to limited liability partnerships, and with applicable laws and regulations in United Kingdom.

Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 Partnership and of the profit or loss of the Partnership for that period. In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the Members of Squarepoint Capital LLP**

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### **Opinion**

We have audited the financial statements of Squarepoint Capital LLP (the "Partnership") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Members' Capital, the Cash Flow Statement and the related notes 1 to 12 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as applied to limited liability partnerships.

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the Partnership's affairs as at 31 December 2022 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with UK adopted international accounting standards; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

### **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 below. We are independent of the Partnership 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 members' 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 Partnership's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Partnership's ability to continue as a going concern.

### **Other information**

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

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.



## **Independent Auditor's Report to the Members of Squarepoint Capital LLP (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- ▶ we have not received all the information and explanations we require for our audit.

### **Responsibilities of members**

As explained more fully in the Statement of Members' Responsibilities set out on page 4, the members 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 members 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 members are responsible for assessing the partnership'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 members either intend to liquidate the partnership 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Partnership and determined that the most significant are those that relate to the reporting framework, being UK adopted international accounting standards as applied to limited liability partnerships. In addition, the Partnership is required to comply with relevant Financial Conduct Authority's (FCA) rules and regulations relating to its operations.
- We understood how Squarepoint Capital LLP is complying with those frameworks by making enquiries of management and by seeking representation from those charged with governance. We corroborated our understanding through our review of documented policies and procedures.
- We assessed the susceptibility of the Partnership's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by designating revenue recognition as a fraud risk. We focused on manual journals or unusual transactions based on our understanding of the business. We recalculated the revenue based on the transfer pricing arrangement applied by management and tested a sample of inputs in the calculation back to source documentation.

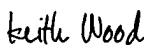
**Independent Auditor's Report to the Members of Squarepoint Capital LLP (continued)**

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- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquires of management and those charged with governance, review of legal and professional expenses, review of breaches and complaints register, and review of Board meeting minutes

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the 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 Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Keith Wood (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
21 April 2023

**Independent Auditor's Report to the Members of Squarepoint Capital LLP (continued)**

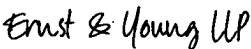
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Keith Wood (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
21 April 2023

**Squarepoint Capital LLP****Registration No: OC393269****Statement of Comprehensive Income  
For the year ended 31 December 2022**

	Notes	2022	2021
		GBP	GBP
<b>Revenue</b>			
Sub-manager fees	3,7	241,476,581	98,972,205
Expense reimbursement revenue	3,7	62,807,223	50,380,923
Profit sharing fee income	3,7	1,091,483	2,450,814
Other income		93,306	56,563
<b>Total revenue</b>		<b>305,468,593</b>	<b>151,860,505</b>
<b>Expenses</b>			
Staff cost	4	119,110,038	78,819,330
Depreciation expense	5	4,667,267	3,536,470
Other operating expenses		40,759,059	26,461,010
<b>Total expenses</b>		<b>164,536,364</b>	<b>108,816,810</b>
Profit for the year before taxes		140,932,229	43,043,695
Tax expense	6	-	-
<b>Profit for the year before members' remuneration and discretionary profit allocation</b>		<b>140,932,229</b>	<b>43,043,695</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>140,932,229</b>	<b>43,043,695</b>

*The accompanying notes to the financial statements are an integral part of the financial statements and should be read in conjunction herewith.*

**Squarepoint Capital LLP****Registration No: OC393269****Statement of Financial Position  
As at 31 December 2022**

	Notes	2022 GBP	2021 GBP
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	8,155,427	5,442,862
Right-of use-assets	5	9,250,610	12,596,877
Rent deposits		50,984	541,750
<b>Total non-current assets</b>		<b>17,457,021</b>	<b>18,581,489</b>
<b>Current assets</b>			
Cash and cash equivalents		13,490,073	9,232,669
Amounts due from related parties	7	215,170,477	91,501,445
Prepaid expenses		3,997,517	1,944,143
Other receivables		6,571,008	715,041
<b>Total current assets</b>		<b>239,229,075</b>	<b>103,393,298</b>
<b>Total assets</b>		<b>256,686,096</b>	<b>121,974,787</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accrued compensation		61,549,770	41,266,579
Accrued expenses		8,309,356	4,645,301
Lease liabilities	8	3,172,253	1,714,490
Amounts due to a related party	7	7,024,328	35
<b>Total current liabilities</b>		<b>80,055,707</b>	<b>47,626,405</b>
<b>Non-current liabilities</b>			
Lease liabilities	8	8,841,674	12,485,025
<b>Total non-current liabilities</b>		<b>8,841,674</b>	<b>12,485,025</b>
<b>Total Liabilities</b>		<b>88,897,381</b>	<b>60,111,430</b>
<b>Net current assets</b>		<b>159,173,368</b>	<b>55,766,893</b>
<b>Net assets attributable to members</b>		<b>167,788,715</b>	<b>61,863,357</b>
<b>Equity- members' other interests</b>			
Members' other interests – other reserves classified as equity		166,467,099	60,541,741
Members' capital		1,321,616	1,321,616
<b>Total members' other interests</b>		<b>167,788,715</b>	<b>61,863,357</b>
Members' other interest		167,788,715	61,863,357
<b>Total members' interest</b>		<b>167,788,715</b>	<b>61,863,357</b>

Approved by the Members and authorised for issue on 21 April 2023.

Russell Morgan

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Director of Squarepoint UK Holdco 1 Limited  
**Designated member***The accompanying notes to the financial statements are an integral part of the financial statements and should be read in conjunction herewith.*

## Squarepoint Capital LLP

Registration No: OC393269

Statement of Changes in Members' Capital  
For the year ended 31 December 2022

	Members' capital (classified as equity)	Other reserves	Total Members' capital	Loans due to members	Total Members' capital and other interest
	GBP	GBP	GBP	GBP	GBP
Members' interests at 1 January 2022	1,321,616	60,541,741	61,863,357	-	61,863,357
Profit for the year	-	140,932,229	140,932,229	-	140,932,229
Total comprehensive income	-	140,932,229	140,932,229	-	140,932,229
Drawings	-	(35,006,871)	(35,006,871)	-	(35,006,871)
Members' interests at 31 December 2022	1,321,616	166,467,099	167,788,715	-	167,788,715

	Members' capital (classified as equity)	Other reserves	Total Members' capital	Loans due to members	Total Members' capital and other interest
	GBP	GBP	GBP	GBP	GBP
Members' interests at 1 January 2021	1,321,616	17,498,046	18,819,662	-	18,819,662
Profit for the year	-	43,043,695	43,043,695	-	43,043,695
Total comprehensive income	-	43,043,695	43,043,695	-	43,043,695
Drawings	-	-	-	-	-
Members' interests at 31 December 2021	1,321,616	60,541,741	61,863,357	-	61,863,357

The accompanying notes to the financial statements are an integral part of the financial statements and should be read in conjunction herewith.

**Squarepoint Capital LLP****Registration No: OC393269****Cash Flow Statement****For the year ended 31 December 2022**

	<b>2022 GBP</b>	<b>2021 GBP</b>
<b>Cash flows from operating activities</b>		
Net profit for the year before taxes	140,932,229	43,043,695
Adjustments for to reconcile net profit for the year before taxes to net cash flow from operating activities:		
Depreciation expense	4,667,267	3,536,470
Finance costs	598,381	325,042
Operating income before working capital changes	146,197,877	46,905,207
(Increase)/decrease in assets:		
Rent deposits, prepaid expenses and other receivables	(7,418,575)	(253,262)
Amounts due from related parties	(123,669,032)	(53,671,989)
Increase/(decrease) in liabilities:		
Accrued compensation	20,283,191	19,588,490
Accrued expenses	3,664,055	(858,278)
Amounts due to a related party	7,024,293	(2,890)
<b>Cash flow from operations</b>	<b>46,081,809</b>	<b>11,707,278</b>
<b>Net cash flows provided by operating activities</b>	<b>46,081,809</b>	<b>11,707,278</b>
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(4,846,461)	(2,160,380)
<b>Net cash flows used in investing activity</b>	<b>(4,846,461)</b>	<b>(2,160,380)</b>
<b>Cash flow from financing activities</b>		
Payment of principal portion of lease liabilities	(1,971,073)	(1,852,330)
Payments to members	(35,006,871)	-
<b>Net cash used in financing activities</b>	<b>(36,977,944)</b>	<b>(1,852,330)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,257,404</b>	<b>7,694,568</b>
Cash and cash equivalents at the beginning of the year	9,232,669	1,538,101
<b>Cash and cash equivalents at the end of the year</b>	<b>13,490,073</b>	<b>9,232,669</b>

*The accompanying notes to the financial statements are an integral part of the financial statements and should be read in conjunction herewith.*

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Notes to the Financial Statements**

**As at and for the year ended 31 December 2022**

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. Corporate information**

The financial statements of Squarepoint Capital LLP (the "Partnership") for the financial year ended 31 December 2022 were authorised for issue by the members on 21 April 2023. The Partnership is a limited liability partnership incorporated in England. The registered office of the Partnership is located at Citypoint, One Ropemaker Street, London, EC2Y 9AW.

The principal activity of the Partnership is the provision of investment management and support services with respect to affiliated alternative investment funds.

The Partnership's parent entity is Squarepoint UK Holdco 1 Limited ("UK Holdco 1"), a company incorporated in England. Its ultimate holding company is Squarepoint Holdings Limited ("Squarepoint Ltd"), a limited company incorporated in Cayman Islands. Related parties refer to companies which are affiliated with Squarepoint Ltd (collectively referred to as "Squarepoint Group"). All members are related parties of Squarepoint Ltd.

**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

The Partnership's financial statements have been prepared in accordance with UK adopted international accounting standards ("UK-adopted IAS"). The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022. The accounting policies applied are consistently used throughout the financial year.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in pounds sterling ("GBP" or "£").

After reviewing the Partnership's forecast and projections, the members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. The Partnership therefore continues to adopt the going concern basis in preparing its financial statements.

The Partnership provides services to other group entities and receives a service fee based on the reimbursement of certain costs plus a mark up, as well as a share of residual profits. The Partnership is dependent on the ability of the entities to which it provides services to continue to pay the service fees due. Designated Members have determined that Squarepoint Group has sufficient financial resources to continue paying the service fee due to the Partnership, on time, and that the Partnership also has sufficient financial resources to meet its short-term liabilities as they arise.

Having performed this analysis management believes regulatory capital requirements continue to be met and have sufficient liquidity to meet its liabilities and to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue. The preparation of the financial statements on a going concern basis remains appropriate as the partnership expects to be able to meet its obligations as and when they fall due for the foreseeable future.

**2.2 Adoption of new IFRS**

i) New standards, amendments and interpretations effective during the year and adopted by the Partnership.

The below amendments were effective for the current financial year and not relevant to the Partnership's operations:

- IAS 16 Amendments – Property, Plant and Equipment : Proceeds before Intended Use
- IAS 37 Amendments – Onerous contracts : Costs of Fulfilling a Contract



**Squarepoint Capital LLP**

**Registration No: OC393269**

**Notes to the Financial Statements**

**As at and for the year ended 31 December 2022**

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**2. Summary of significant accounting policies (cont'd)**

**2.2 Adoption of new IFRS (cont'd)**

ii) New standards, amendments and interpretations issued but not effective for the current financial year and not early adopted by the Partnership.

- IAS 1 Amendments – Disclosure of Accounting Policies (effective 1 January 2023)
- IAS 1 Amendments – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (effective 1 January 2024)
- IAS 8 Amendments – Definition of Accounting Estimates (effective 1 January 2023)
- IAS 12 Amendments – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

Amendments to IAS 1, 8 and 12 are not expected to have a material impact on the Partnership's financial statements.

iii) New standards, amendments and interpretations issued but not effective for the current financial year and not relevant to the Partnership's operations.

A number of new standards, amendments and interpretations have been issued that are not effective for the current financial year end and not relevant or material to the Partnership's operations. They will, therefore, have no impact on the Partnership's financial statements when they become effective.

**2.3 Significant accounting estimates and judgements**

The preparation of the Partnership's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosures of contingent liabilities at the end of the reporting period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Partnership cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Partnership would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Partnership 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Partnership estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease).

**2.4 Revenue recognition**

Revenue is recognized as the performance obligations are satisfied and to the extent that it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur and the economic benefits will flow to the Partnership. Revenue is measured at the fair value of consideration received or receivable, excluding sales taxes or duty. The Partnership assesses its revenue arrangements to determine if it is acting as principal or agent. The Partnership has concluded that it is acting as a principal in all of its revenue arrangements.

**2.5 Expenses**

Expenses are accounted for on an accrual basis and charged to the statement of comprehensive income.

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Notes to the Financial Statements  
As at and for the year ended 31 December 2022**

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**2. Summary of significant accounting policies (cont'd)**

**2.6 Reserves**

Members' capital represents those amounts introduced by the members of the Partnership to be used in business operations. All amounts credited to each members' capital account shall be immediately and fully available to the Partnership for unrestricted use to cover risks and losses as and when they may occur. Future capital contributions and withdrawals are permitted as outlined by the partnership agreements. The Partnership has no obligation to return members' capital and, accordingly, this has been treated as an equity item within the statement of financial position. Other reserves represent the unallocated profits from operations of the period.

**2.7 Members' profit allocation and drawings**

Following the payment of any fixed remuneration entitlement to members, any remaining profits are shared among the members as decided on a discretionary basis by management in the Squarepoint Group and governed by the Partnership Agreement dated 19 December 2014. Amounts becoming due to members in respect of members' profit allocation are debited directly to reserves in the period in which the divisions occurs. Drawings are recognised as loans due from members until allocation occurs.

**2.8 Foreign currencies**

*Functional and presentation currency*

The Partnership's financial statements are presented in GBP, which is the Partnership's functional and presentation currency.

*Foreign currency transactions*

Transactions in foreign currencies are recorded in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

**2.9 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, leasehold improvements, computer equipment and furniture are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes replacing part of the property, plant and equipment that are directly attributable to the acquisition, construction or production of a qualifying asset. The cost of a plant and equipment asset is recognised as an asset, if, and only if, it is probable that future economic benefits associated with the item will flow to the Partnership and the cost of the item can be measured reliably.

Right-of-use assets are presented separately in the statement of financial position and are depreciated on a straight-line basis over the lease term.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	-	Useful life or lease term, whichever is earlier
Computer equipment	-	4 – 6 years
Office furniture	-	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Notes to the Financial Statements  
As at and for the year ended 31 December 2022**

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**2. Summary of significant accounting policies (cont'd)**

**2.9 Property, plant and equipment (cont'd)**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on derecognition of the assets are included in profit or loss in the financial year the asset is derecognised.

**2.10 Impairment of non-financial assets**

The Partnership assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Partnership makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written-down to its recoverable amount.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

**2.11 Financial assets**

Financial assets are recognised on the statement of financial position when, and only when, the Partnership becomes a party to the contractual provisions of the financial instrument. When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or the Partnership has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is included in the profit or loss for that period.

**Debtors**

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as financial assets at amortised cost. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the debtors are derecognised or impaired as well as through the amortisation process.

The Partnership classified amounts due from related parties, and other receivables as loans and receivables.

**2.12 Impairment of financial assets**

The Partnership assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

**Assets carried at amortised cost**

Management at Squarepoint Group assess whether counterparties within the Group would be able to meet payment upon request. The Partnership has assessed the probability of default to be remote and the impact on the measurement of debtors in the financial statements to be immaterial.

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Notes to the Financial Statements**

**As at and for the year ended 31 December 2022**

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**2. Summary of significant accounting policies (cont'd)**

**2.13 Cash and cash equivalents**

Cash deposits in the statement of financial position comprise of cash at banks, which is subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents include cash, as defined above, net of outstanding bank overdrafts considered to be an integral part of the Partnership's cash management.

**2.14 Financial liabilities**

Financial liabilities include payables which are normally settled on 30 – 90 days' terms. Financial liabilities also include amounts due to affiliate which are due upon demand of the affiliate.

Financial liabilities are recognised in the statement of financial position when, and only when, the Partnership becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised initially at fair value of consideration received less directly attributable transaction costs and are measured subsequently at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities, gains or losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

**2.15 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if:

- There is a currently enforceable legal right to offset the recognized amounts; and
- There is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

**2.16 Leases**

The Partnership assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*Partnership as a lessee*

The Partnership applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Partnership recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(a) Right-of-use assets**

The Partnership recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Premises - to match lease term

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Notes to the Financial Statements  
As at and for the year ended 31 December 2022**

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**2. Summary of significant accounting policies (cont'd)**

**2.16 Leases (cont'd)**

**(a) Right-of-use assets (cont'd)**

If ownership of the leased asset transfers to the Partnership at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.10 Impairment of non-financial assets.

**(b) Lease liabilities**

At the commencement date of the lease, the Partnership recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Partnership and payments of penalties for terminating the lease, if the lease term reflects the Partnership exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Partnership uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Partnership's lease liabilities are disclosed in Note 8 to the financial statements.

**(c) Short-term leases and leases of low-value assets**

The Partnership applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**2.17 Taxation**

The Partnership is not a tax paying entity for the years ended 31 December 2022 and 31 December 2021. The taxation payable on the Partnership profits is the personal liability of the members, although payment of such liabilities is administered by the Partnership on behalf of the members. Consequently, neither partnership taxation nor related deferred taxation are accounted for in the financial statements. Sums set aside in respect of members' tax obligations are included in the statement of financial position within loans and other debts due to members or set against amounts due from members as appropriate.

**Squarepoint Capital LLP****Registration No: OC393269****Notes to the Financial Statements****As at and for the year ended 31 December 2022****2. Summary of significant accounting policies (cont'd)****2.18 Related parties**

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Partnership if that person:

- (i) Has control or joint control over the Partnership;
- (ii) Has significant influence over the Partnership; or
- (iii) Is a member of the key management personnel of the Partnership or of a parent of the Partnership.

(b) An entity is related to the Partnership if any of the following conditions applies:

- (i) The entity and the Partnership are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Partnership or an entity related to the Partnership. If the Partnership is itself such a plan, the sponsoring employers are also related to the Partnership;
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

**2.19 Reclassifications and comparative figures**

Previous year numbers have been reclassified to conform with current year presentation.

**3. Revenue**

Revenue represents the expense reimbursement revenue from provision of research, administrative and related services to related companies, and sub-manager fees for investment management services provided to alternative investment funds of the Squarepoint Group. Refer to note 7 for further details.

**4. Members' and staff costs**

There were no non-corporate members in 2022 and 2021.

Staff cost (excluding members' remuneration):

	<b>2022</b>	<b>2021</b>
	<b>GBP</b>	<b>GBP</b>
- Salaries and wages	100,817,255	66,710,056
- Social security costs	14,055,137	9,189,174
- Pension	3,311,954	2,376,091
- Other benefits	925,692	544,009
	<u>119,110,038</u>	<u>78,819,330</u>
The average number of employees	<u>300</u>	<u>235</u>

**Squarepoint Capital LLP****Registration No: OC393269****Notes to the Financial Statements  
As at and for the year ended 31 December 2022****5. Property, Plant and Equipment**

	<b>Computer Equipment and Furniture GBP</b>	<b>Leasehold Improvements GBP</b>	<b>Right-of-use Assets GBP</b>	<b>Total GBP</b>
<b>Cost</b>				
At 1 January 2022	7,853,050	3,312,897	17,722,955	28,888,902
Additions	4,070,272	776,189	-	4,846,461
Disposals	(2,952,258)			(2,952,258)
Remeasurements	-	-	(812,896)	(812,896)
At 31 December 2022	<u>8,971,064</u>	<u>4,089,086</u>	<u>16,910,059</u>	<u>29,970,209</u>
<b>Accumulated depreciation</b>				
At 1 January 2022	4,792,401	930,684	5,126,078	10,849,163
Charge for the year	1,360,362	773,534	2,533,371	4,667,267
Disposals	(2,952,258)			(2,952,258)
At 31 December 2022	<u>3,200,505</u>	<u>1,704,218</u>	<u>7,659,449</u>	<u>12,564,172</u>
<b>Net carrying amount</b>				
At 31 December 2021	<u>3,060,649</u>	<u>2,382,213</u>	<u>12,596,877</u>	<u>18,039,739</u>
At 31 December 2022	<u>5,770,559</u>	<u>2,384,868</u>	<u>9,250,610</u>	<u>17,406,037</u>

**6. Taxation**

The Partnership is not a tax paying entity for the year ended 31 December 2022 and 31 December 2021. The taxable income/(loss) from the Partnership flows to the members.

**7. Related party transactions**

During the year, the Partnership paid expenses on behalf of related parties. The Partnership earned expense reimbursement revenue from Squarepoint Ops LLC ("Ops LLC"), as the main investment manager, amounting to £56,783,206 (2021: £45,067,479) for the services provided to the Funds. The Partnership earned expense reimbursement revenue from the Master Fund and the Core Master Fund amounting to £6,024,017 (2021: £5,313,444) for research cost incurred on behalf of the respective funds. The Partnership earned sub-manager fees from Squarepoint Future Ideas amounting to £241,476,581 (2021: £98,972,205 from Ops LLC) for investment management services provided in relation to the Funds. The Partnership earned revenue share income from its related party, amounting to £1,091,483 (2021: £2,450,814) for investment management services provided in relation to the Funds.

The amounts due from/ (to) related parties, which are non-trade, unsecured, interest free and are repayable on demand. For the year ended 31 December 2022 and 31 December 2021, receivables and payable from related parties were as follows:

**Squarepoint Capital LLP****Registration No: OC393269****Notes to the Financial Statements  
As at and for the year ended 31 December 2022****7. Related party transactions (cont'd)**

	<b>2022 GBP</b>	<b>2021 GBP</b>
<b>Receivables</b>		
Squarepoint Ops LLC	-	89,345,039
Squarepoint Future Ideas Limited	209,378,880	-
Squarepoint UK Holdco 1 Limited	2,032,764	419,359
Squarepoint Master Fund Limited	1,066,385	913,108
Squarepoint Core Master Fund Limited	28,409	32,502
Squarepoint Focus Master Fund Limited	436,248	351,801
Squarepoint UK Holdco 2 Limited	257,639	123,976
Squarepoint Operations Private Limited	65,923	267,282
Corporate Reporting Technologies AG	-	8,387
Squarepoint Technologies India Private Limited	6,409	4,204
Squarepoint Op Co GmbH	-	27,865
Squarepoint Operating Company	-	7,922
Squarepoint Services International Limited	1,110,115	-
Squarepoint Operations Espana S.L.U	123,440	-
Squarepoint Operations GP (DIFC)	664,265	-
	<u>215,170,477</u>	<u>91,501,445</u>
<b>Payable</b>		
Squarepoint Ops LLC	(7,024,328)	-
Squarepoint Operations Canada Inc	-	(35)
	<u>(7,024,328)</u>	<u>(35)</u>

**8. Lease liabilities**

	<b>2022 GBP</b>	<b>2021 GBP</b>
As at 1 January	14,199,515	11,127,273
Additions/Remeasurements	(812,896)	4,599,530
Accretion of interest	598,381	325,042
Payments	(1,971,073)	(1,852,330)
As at 31 December	<u>12,013,927</u>	<u>14,199,515</u>
Current	3,172,253	1,714,490
Non-Current	<u>8,841,674</u>	<u>12,485,025</u>

The undiscounted maturity analysis of lease liabilities is as follows:

	<b>2022 GBP</b>	<b>2021 GBP</b>
3 to 12 months	3,509,421	2,102,233
1 to 5 years	10,235,812	13,151,277
Over 5 years	-	-
	<u>13,745,233</u>	<u>15,253,510</u>



**Squarepoint Capital LLP**

**Registration No: OC393269**

**Notes to the Financial Statements**

**As at and for the year ended 31 December 2022**

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**8. Lease liabilities (cont'd)**

The Partnership signed a guaranty of a lease, pursuant to which the Partnership agrees to guarantee, unconditionally and irrevocably, a certain related party's obligation under the lease. As of 31 December 2022, maximum amounts that the Partnership would owe if the lease were to default amount to approximately £6,069,000 (2021: £21,391,563).

**9. Financial risk management objectives and policies**

The Partnership is involved in the provision of administration and related services and is exposed to financial risks arising from its operations. The key financial risks include credit risk, foreign currency risk, and liquidity risk. Interest rate risk is minimal as the Partnership does not engage in investing or external financing activities. The members review and agree policies and procedures for the management of these risks. It is and has been throughout the current period the Partnership's policy that no trading in derivatives shall be undertaken.

The following sections provide details regarding the Partnership's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligations. The Partnership's exposure to credit risk arises primarily from other receivable and due from related parties. Cash is placed with financial institutions with good credit rating.

The Partnership attempts to minimise its credit risk by evaluating and monitoring the credit exposure to its trade debtors. The Partnership adopted the policy of only dealing with credit worthy counterparties to mitigate the risk of financial loss from default. The Partnership transacts significantly with its related companies as it considers its related companies to be of good financial standing. The carrying amounts of other receivable, amounts due from related parties and cash represent the Partnership's maximum exposure to credit risk. No other financial asset carries a significant exposure to credit risk. At the end of the reporting period, there is no financial asset of the Partnership that is past due.

***Foreign currency risk***

Foreign currency risk is the risk that the future cash flows or the fair value of the financial instruments will fluctuate because of changes in foreign exchange rates.

The functional currency of the Partnership is GBP. The Partnership is exposed to foreign currency risk which arises from its transactions denominated in currencies other than its functional currency. The Partnership primarily has transactional currency exposures arising from payments that are denominated in United States Dollars (USD). Management will monitor the USD exchange rate, however no active management of this risk is undertaken.

***Liquidity risk***

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting financial obligations due to shortage of funds.

To manage liquidity risk, the Partnership monitors its net operating cash flows and maintains an adequate level of cash. The Partnership projects operating expenses in advance for two quarters and receives an advance for these operating expenses from the Master Fund via Ops LLC. Any shortfall in advance of the Master Fund or expenses incurred on behalf of the Core Master Fund and Focus Master Fund is reimbursed to the Partnership via Ops LLC shortly after the respective quarter end.

The undiscounted contractual cash flows of accrued operating expenses and amounts due to a related party are equivalent to their carrying amounts. Accrued operating expenses are repayable within one year whereas amounts due to a related party is repayable on demand.

**Squarepoint Capital LLP**

**Registration No: OC393269**

**Notes to the Financial Statements**

**As at and for the year ended 31 December 2022**

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**10. Capital management**

The Partnership manages its capital, comprised of the members' interests, to ensure that it will be able to continue as a going concern as well as sustaining the future development of the business. The Partnership is compliant with the capital requirements as set forth by the FCA.

**11. Contingencies and commitments**

There are no contingencies or commitments as at the reporting date other than the lease commitments disclosed in note 8.

**12. Subsequent events**

The Partnership has evaluated subsequent events through to the date of approval of the financial statements.

In relation to the assessment and monitoring of economic, political and regulatory risks, the Partnership has evaluated the impact of the outcome of the June 2016 referendum in relation to the UK's membership of the EU on the Partnership's business strategy and business risks in the short, medium and long term. In the short term, there is no significant impact expected on the Partnership's business activities, there will be no immediate change in the business strategy and it does not affect the going concern position of the Partnership.

On January 1, 2023, the Company transferred certain fixed assets of approximately GBP 17,359,000 and related liabilities of approximately GBP 19,056,000 to its affiliated companies. These affiliates, Squarepoint Services UK Limited ("SSUK") and Squarepoint Services International Limited ("SSI"), are English private limited companies, and are affiliated by common control. The asset transfers were all made by sales and purchases for consideration. The Company also transferred all employees to SSUK on January 1, 2023, pursuant to the Transfer of Undertakings (Protection of Employment) regulations 2006. Key personnel performing regulated functions for FCA purposes were seconded back to the Company for an indefinite term.