

**SIGNED COPY**

**COMPANY REGISTRATION NUMBER 07165194**

**SQUARETRADE LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2011**

# **AMENDING ACCOUNTS**



**NJHCO**  
Chartered Accountants & Statutory Auditor  
8th Floor Tolworth Tower  
Ewell Road  
SURBITON  
Surrey  
KT6 7EL

**SQUARETRADE LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

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**SQUARETRADE LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The board of directors</b>	S D Abernethy A K Khaishgi V Tseng
<b>Registered office</b>	48 - 54 Charlotte Street LONDON England W1T 2NS
<b>Auditor</b>	NJHCo Chartered Accountants & Statutory Auditor 8th Floor Tolworth Tower Ewell Road SURBITON Surrey KT6 7EL
<b>Bankers</b>	HSBC Bank plc 94 Kensington High Street Kensington London England W8 4SH

**SQUARETRADE LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2011**

The directors present their report and the financial statements of the company for the year ended 31 December 2011

**PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was as marketer and administrator of extended warranties

**DIRECTORS**

The directors who served the company during the year were as follows

S D Abernethy  
A K Khaishgi  
V Tseng

V Tseng was appointed as a director on 25 February 2011

**DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' 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 year.

In preparing those 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,
- 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITOR**

NJHCo are deemed to be re-appointed under section 487(2) of the Companies Act 2006

**SQUARETRADE LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2011**

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office  
48 - 54 Charlotte Street  
LONDON  
England  
W1T 2NS

Signed on behalf of the directors



**V TSENG**

DIRECTOR

Approved by the directors on 12 December 2012

# **SQUARETRADE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SQUARETRADE LIMITED**

**YEAR ENDED 31 DECEMBER 2011**

We have audited the financial statements of SquareTrade Limited for the year ended 31 December 2011. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the company, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **SQUARETRADE LIMITED**

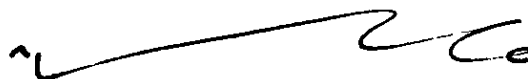
## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SQUARETRADE LIMITED *(continued)***

**YEAR ENDED 31 DECEMBER 2011**

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



**NAVAL J HEERAMANECK, FCA, CTA**

(Senior Statutory Auditor)

For and on behalf of

NJHCO

Chartered Accountants  
& Statutory Auditor

8th Floor Tolworth Tower  
Ewell Road  
SURBITON  
Surrey  
KT6 7EL

30 December 2012

**SQUARETRADE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2011**

		Year to 31 Dec 11 £	Period from 1 Nov 10 to 31 Dec 10 £
<b>TURNOVER</b>	Note	<b>327,507</b>	<b>1,223</b>
Cost of sales		<u>232,016</u>	<u>773</u>
<b>GROSS PROFIT</b>		<b>95,491</b>	<b>450</b>
Administrative expenses		<u>509,489</u>	<u>33,489</u>
<b>OPERATING LOSS</b>	2	<b>(413,998)</b>	<b>(33,039)</b>
Interest receivable		<b>125</b>	<b>—</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u><b>(413,873)</b></u>	<u><b>(33,039)</b></u>
Tax on loss on ordinary activities		<b>—</b>	<b>—</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><b>(413,873)</b></u>	<u><b>(33,039)</b></u>
Balance brought forward		<u><b>(33,039)</b></u>	<u><b>—</b></u>
Balance carried forward		<u><b>(446,912)</b></u>	<u><b>(33,039)</b></u>

The notes on pages 8 to 9 form part of these financial statements.



# SQUARETRADE LIMITED

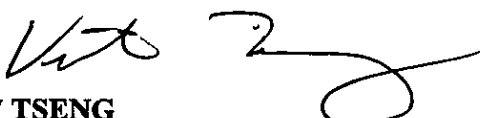
## BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £	2010 £
<b>CURRENT ASSETS</b>			
Debtors due within one year	4	792,537	107,872
Debtors due after one year	4	972,320	—
Cash at bank		661,187	44,397
<b>TOTAL CURRENT ASSETS</b>		<u>2,426,044</u>	<u>152,269</u>
<b>CREDITORS: Amounts falling due within one year</b>			
Trade creditors		23,813	—
Accruals and deferred income		1,445,001	158,796
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,468,814</u>	<u>158,796</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>957,230</u>	<u>(6,527)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>957,230</u>	<u>(6,527)</u>
<b>CREDITORS: Amounts falling due after more than one year</b>			
Amounts owed to group undertakings		127,248	25,512
Accruals and deferred income		1,275,894	—
		<u>1,403,142</u>	<u>25,512</u>
		<u>(445,912)</u>	<u>(32,039)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	6	1,000	1,000
Profit and loss account		(446,912)	(33,039)
<b>DEFICIT</b>		<u>(445,912)</u>	<u>(32,039)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 12 December 2012, and are signed on their behalf by

  
V TSENG

Company Registration Number 07165194

The notes on pages 8 to 9 form part of these financial statements.

**SQUARETRADE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**1. ACCOUNTING POLICIES**

*Basis of accounting*

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements have been prepared on the going concern basis as the parent company, SquareTrade Inc has given an undertaking that it is their intention to continue to support the company financially to enable it to continue to trade

*Turnover*

The turnover in respect of the 2 to 5 year contracts for warranties issued is recognised evenly over the period of the warranty contract applicable to the current accounting period

*Operating lease agreements*

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

*Financial instruments*

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**2. OPERATING LOSS**

Operating loss is stated after charging

	Year to 31 Dec 11	Period from 1 Nov 10 to 31 Dec 10
	£	£
Auditor's fees	<u>7,500</u>	<u>3,600</u>

**SQUARETRADE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2011**

**3. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were

	Year to 31 Dec 11 £	Period from 1 Nov 10 to 31 Dec 10 £
Aggregate remuneration	<u>127,237</u>	<u>—</u>

**4. DEBTORS**

	2011 £	2010 £
Trade debtors	107,420	51,308
Other debtors	16,514	—
Prepayments and accrued income	12,885	1,859
Deferred costs	1,628,038	54,705
	<u>1,764,857</u>	<u>107,872</u>

The debtors above include the following amounts falling due after more than one year

	2011 £	2010 £
Deferred costs	<u>972,320</u>	<u>—</u>

**5. RELATED PARTY TRANSACTIONS**

The company was under the control of the Directors throughout the current period

No transactions with related parties were undertaken such as are required to be disclosed under the FRSSE

**6. SHARE CAPITAL**

Allotted, called up and fully paid:

	2011 No	£	2010 No	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

**7. ULTIMATE PARENT COMPANY**

The ultimate parent company is SquareTrade Inc a company registered in Delaware, USA under federal EIN number 94-3340669