

COMPANY REGISTRATION NUMBER 07165194

COMPANIES HOUSE COPY

SQUARETRADE LIMITED
FINANCIAL STATEMENTS
(AMENDING ACCOUNTS)
31 DECEMBER 2013

WEDNESDAY



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COMPANIES HOUSE

NJHCO
Chartered Accountants & Statutory Auditor
Suite 1 The Sanctuary
23 Oak Hill Grove
SURBITON
Greater London
KT6 6DU

SQUARETRADE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

CONTENTS	PAGES
Officers and professional advisers	1
Directors' report	2 to 3
Independent auditor's report to the shareholder	4 to 5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8 to 9
Notes to the financial statements	10 to 14
The following pages do not form part of the financial statements	
Detailed profit and loss account	16
Notes to the detailed profit and loss account	17 to 18

SQUARETRADE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	S D Abernethy A K Khaishgi K Gillan
Registered office	Unit 1.02 Enterprise House 1-2 Hatfields LONDON England SE1 9PG
Auditor	NJHCo Chartered Accountants & Statutory Auditor Suite 1 The Sanctuary 23 Oak Hill Grove SURBITON Greater London KT6 6DU
Bankers	HSBC Bank plc 94 Kensington High Street Kensington London England W8 4SH

SQUARETRADE LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

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
K Gillan

K Gillan was appointed as a director on 12 June 2013.

V Tseng retired as a director on 29 January 2014.

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 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;
- 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.

AUDITOR

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

SQUARETRADE LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

Each of the persons who is a director at the date of approval of this report confirm that:


- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Registered office:
Unit 1.02 Enterprise House
1-2 Hatfields
LONDON
England
SE1 9PG

Signed on behalf of the directors



K GILLAN
DIRECTOR

Approved by the directors on 1 May 2015

SQUARETRADE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SQUARETRADE LIMITED

YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of SquareTrade Limited for the year ended 31 December 2013. 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 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 directors; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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 MATTER 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 2013

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 and take advantage of the small companies exemptions from the requirement to prepare a strategic report.



NAVAL J HEERAMANECK, FCA, CTA

(Senior Statutory Auditor)

For and on behalf of

NJHCO

Chartered Accountants

& Statutory Auditor

Suite 1 The Sanctuary
23 Oak Hill Grove
SURBITON
Greater London
KT6 6DU

12 May, 2015

SQUARETRADE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2013

		2013	2012 (restated)
	Note	£	£
TURNOVER	2	3,318,961	1,143,860
Cost of sales		<u>1,803,051</u>	<u>847,035</u>
GROSS PROFIT		1,515,910	296,825
Administrative expenses		<u>3,116,402</u>	<u>1,071,307</u>
OPERATING LOSS	3	(1,600,492)	(774,482)
Interest receivable		<u>86</u>	<u>250</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,600,406)	(774,232)
Tax on loss on ordinary activities	5	<u>(3,354)</u>	<u>3,354</u>
LOSS FOR THE FINANCIAL YEAR		<u>(1,597,052)</u>	<u>(777,586)</u>

The notes on pages 10 to 14 form part of these financial statements.

SQUARETRADE LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2013

	2013	2012 (restated)
	£	£
Loss for the financial year attributable to the shareholder	(1,597,052)	(777,586)
Total recognised gains and losses relating to the year	<u>(1,597,052)</u>	<u>(777,586)</u>
Prior year adjustment (see note 6)	60,421	1,178,466
Total gains and losses recognised since the last annual report	<u>(1,536,631)</u>	<u>400,880</u>

The notes on pages 10 to 14 form part of these financial statements.

SQUARETRADE LIMITED

BALANCE SHEET

31 DECEMBER 2013

		2013	2012 (restated)
	Note	£	£
FIXED ASSETS			
Tangible assets	7	908	1,404
CURRENT ASSETS			
Debtors due within one year	8	4,804,052	3,613,180
Debtors due after one year	8	1,884,171	1,564,993
Cash at bank and in hand		672,322	723,566
TOTAL CURRENT ASSETS		7,360,545	5,901,739
CREDITORS: Amounts falling due within one year			
Trade creditors		90,892	106,151
Other creditors including taxation and social security	9	20,849	18,848
Accruals and deferred income		4,664,907	4,889,595
TOTAL CURRENT LIABILITIES		4,776,648	5,014,594
NET CURRENT ASSETS		2,583,897	887,145
TOTAL ASSETS LESS CURRENT LIABILITIES		2,584,805	888,549
CREDITORS: Amounts falling due after more than one year			
Amounts owed to group undertakings		1,480,918	167,772
Accruals and deferred income		2,685,550	765,809
		4,166,468	933,581
		(1,581,663)	(45,032)
CAPITAL AND RESERVES			
Called-up equity share capital	13	1,000	1,000
Profit and loss account	14	(1,582,663)	(46,032)
DEFICIT		(1,581,663)	(45,032)

The Balance sheet continues on the following page.
The notes on pages 10 to 14 form part of these financial statements.

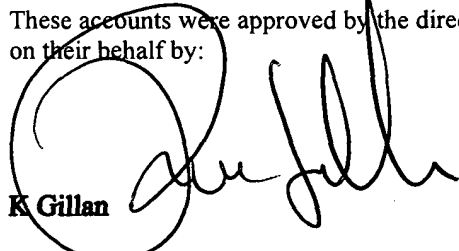
SQUARETRADE LIMITED

BALANCE SHEET *(continued)*

31 DECEMBER 2013

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved by the directors and authorised for issue on 1 May 2015, and are signed on their behalf by:

A handwritten signature in black ink, appearing to read 'K Gillan', is written over a circular stamp. The signature is fluid and cursive.

K Gillan

Company Registration Number: 07165194

The notes on pages 10 to 14 form part of these financial statements.

SOUARETRADE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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.

On 14 October, 2014 an additional 850,000 ordinary £1 shares were allotted to, called up and fully paid by SquareTrade Inc.

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.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - over 3 years

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

SQUARETRADE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

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. TURNOVER

Overseas turnover amounted to 7.91% (2012 - 9.77%) of the total turnover for the year.

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2013	2012 (restated)
	£	£
Depreciation of owned fixed assets	496	83
Auditor's fees	15,000	10,000
Net (profit)/loss on foreign currency translation	<u>(20,503)</u>	<u>4,719</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012 (restated)
	£	£
Aggregate remuneration	<u>222,246</u>	<u>190,162</u>

SQUARETRADE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

5. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2013	2012 (restated)
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2012 - 20%)	-	3,354
Over/under provision in prior year	<u>(3,354)</u>	-
Total current tax	<u><u>(3,354)</u></u>	<u><u>3,354</u></u>

The provision for a refund of corporation tax for the previous year is based on the results for the year as adjusted for the prior year adjustments.

6. PRIOR YEAR ADJUSTMENT

The prior period adjustments relate to the adjustment to the Balance Sheet accounts in respect of the deferred revenues and deferred costs of 2 to 5 year contracts for warranties issued.

7. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 January 2013 and 31 December 2013	<u><u>1,487</u></u>
DEPRECIATION	
At 1 January 2013	83
Charge for the year	<u>496</u>
At 31 December 2013	<u><u>579</u></u>
NET BOOK VALUE	
At 31 December 2013	<u><u>908</u></u>
At 31 December 2012	<u><u>1,404</u></u>

SQUARETRADE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

8. DEBTORS

	2013	2012 (restated)
	£	£
Trade debtors	2,044,411	889,982
Prepayments and accrued income	106,377	111,732
Deferred costs	4,537,435	4,176,459
	<u>6,688,223</u>	<u>5,178,173</u>

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

	2013	2012 (restated)
	£	£
Deferred costs: Amounts due after 1 year	<u>1,884,171</u>	<u>1,564,993</u>

9. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	2013	2012 (restated)
	£	£
Corporation tax	–	3,354
PAYE and social security	20,849	15,494
	<u>20,849</u>	<u>18,848</u>

10. CREDITORS

Accruals and deferred income for creditors falling due within one year and falling due after more than one year includes deferred income in respect of warranties and relevant associated costs.

11. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2013	2012 (restated)
	£	£
Operating leases which expire:		
Within 1 year	<u>26,700</u>	<u>40,050</u>

SQUARETRADE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

12. RELATED PARTY TRANSACTIONS

The company was under the control of the Directors throughout the current year.

The amount due to the parent company, SquareTrade Inc. at the year-end was £1,480,918 (2012: £167,772) which was interest free and not repayable at any fixed time.

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

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012 (restated)	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

On 14 October, 2014 an additional 850,000 ordinary £1 shares were allotted to, called up and fully paid by SquareTrade Inc.

14. PROFIT AND LOSS ACCOUNT

	2013	2012 (restated)
	£	£
Balance brought forward as previously reported	(46,032)	(446,912)
Prior year adjustment (see note 6)	<u>60,421</u>	<u>1,178,466</u>
Balance brought forward restated	<u>14,389</u>	<u>731,554</u>
Loss for the financial year	<u>(1,597,052)</u>	<u>(777,586)</u>
Balance carried forward	<u>(1,582,663)</u>	<u>(46,032)</u>

15. ULTIMATE PARENT COMPANY

The ultimate parent company is SquareTrade Holding Company, Inc. a company registered in Delaware, USA under Federal EIN number 45-4123000.