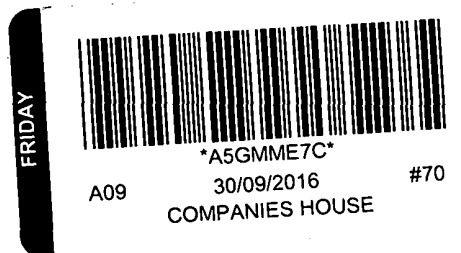


**Squareup Europe Limited (formerly Integrated  
Business Support Ltd)**

**Annual report and financial statements**

Registered number 8957689

31 December 2015



## Contents

Directors' report	3
Statement of directors' responsibilities in respect of the annual report and the financial statements	5
Independent auditor's report to the members of Squareup Europe Limited	6
Profit and Loss Account and Other Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes	10

## Directors' report

The directors' present their report with the financial statements of the company for the year ended 31 December 2015.

### Principal Activity

The company's principal activity is to service electronic payment processing.

### Business Review

Integrated Business Support Ltd was incorporated on 25 March 2014, and changed its name to Squareup Europe Limited in 2016. Squareup Europe Limited (the Company) is a UK private limited company, and is a wholly owned subsidiary of Square, Inc. ("Square"), an electronic payment processing/acquiring company founded in 2009 and traded on the New York Stock Exchange under the ticker symbol "SQ". Square operates globally together with its direct and indirect subsidiaries (collectively, the "Square Group"). The Company was formed to operate as the licensed Square Group entity that will provide payments related services in the UK and across Europe.

On 1 April 2016 the Company received its license with the Financial Conduct Authority (FCA). The Company is currently assessing various marketing and sales strategies to support a general launch into servicing electronic payment processing within its target markets.

### Proposed dividend

The directors do not recommend the payment of a dividend.

### Directors

The directors who held office during the year were as follows:

Francoise Brougher	
Daniel Harper	(appointed 22 September 2015)
Tanya Khakbaz	(appointed 30 January 2015, resigned 18 September 2015)
Dana Wagner	(resigned 30 January 2015)

### Political contributions

The Company made no political donations or incurred any political expenditure during the year.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the 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.

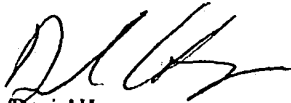
### Other information

The Company has taken the small companies exemption in relation to the preparation of a strategic report.

**Auditor**

KPMG LLP was appointed as auditor by the directors in September 2016. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**Daniel Harper**  
Director

30 SEPTEMBER 2016

6<sup>th</sup> Floor  
One London Wall  
London  
EC2Y 5EB

## **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Squareup Europe Limited**

We have audited the financial statements of Squareup Europe Limited for the year ended 31 December 2015 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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.

### **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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Jonathan Russell (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

30<sup>th</sup> September 2016

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2015*

	<i>Note</i>	2015	2014
		£	£
Administrative expenses	3	31,326	-
<b>Operating loss</b>		<u>31,326</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>			
Tax on loss on ordinary activities	6	-	-
<b>Loss for the financial year</b>		<u>31,326</u>	<u>-</u>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of income tax		-	-
<b>Total comprehensive loss for the financial year</b>		<u>-</u>	<u>-</u>





**Statement of Changes in Equity**  
*at 31 December 2015*

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 25 March 2014	-	-	-
Issue of Shares	1	-	1
Balance at 31 December 2014	1	-	1
Issue of Shares	7,000	-	7,000
Total comprehensive loss for the year	-	(31,326)	(31,326)
<b>Balance at 31 December 2015</b>	<b>7,001</b>	<b>(31,326)</b>	<b>(24,325)</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### *Basis of Preparation*

Squareup Europe Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Square Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of Square Inc. are prepared in accordance with US GAAP and are available to the public and may be obtained from [www.squareup.com/about/investors](http://www.squareup.com/about/investors).

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital
- Disclosures in respect of the compensation of Key Management Personnel

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on the historical cost basis.

#### *Going concern*

As of 31 December 2015 the Company has net liabilities, however on 29 February 2016 the Company received a capital contribution of £3,900,000 from the Parent Company which is sufficient to meet ongoing liabilities for at least 12 months from signing the accounts. Therefore the Company has prepared the accounts under the going concern basis.

#### *Non-derivative financial instruments*

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents and trade and other creditors.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits

**Notes (continued)**

**Expenses**

*Operating lease payments*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**Adopted IFRS not yet applied**

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Annual Improvements to IFRSs – 2012-2014 Cycle (effective date to be confirmed)
- Disclosure Initiative – Amendments to IAS 1 (effective date to be confirmed)

**2 Accounting estimates and judgements**

*Key sources of estimation uncertainty*

There are no key assumptions concerning the future or other key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

*Critical accounting judgements in applying the Company's accounting policies*

There are no critical accounting judgements in applying the Company's accounting policies.

**3 Auditor's remuneration**

	2015	2014
	£	£
Audit of these financial statements	5,000	-

**Notes (continued)**

**4 Staff numbers and costs**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Management	1	-
	<u>1</u>	<u>-</u>

The aggregate payroll costs of these persons was as follows:

	£	£
Wages and salaries	19,676	-
	<u>19,676</u>	<u>-</u>

**5 Remuneration of directors**

	2015	2014
	£	£
Directors' remuneration	19,676	-
	<u>19,676</u>	<u>-</u>

During the year no retirement benefits were accruing to directors (2014: none) in respect of pension schemes.

The highest paid director received remuneration of £19,676 (2014: nil).

**6 Taxation**

*Factors affecting the tax charge*

	2015	2014
	£	£
Loss on ordinary activities before tax	31,326	-
Current tax at 20.75% (2014: 21%)	(6,500)	-
Effects of:		
Current year losses for which no deferred tax asset was recognised	6,500	-
Total tax expense	<u>-</u>	<u>-</u>

As at 31 December 2015 the company had unrecognised tax losses carried forward of £31,326 (2014: nil).

**Notes (continued)**

**7 Debtors**

	2015 £	2014 £
Amounts owed by group undertakings	1	1
Other debtors	1,088	-
	<u>1,089</u>	<u>1</u>

**8 Creditors: amounts falling due within one year**

	2015 £	2014 £
Amounts owed to group undertakings	21,742	-
Accruals	9,957	-
	<u>31,699</u>	<u>-</u>

**9 Called up share capital**

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	7,001	1
	<u>7,001</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

During the year the Company issued 7,000 £1 ordinary shares for a consideration of £7,000, settled in cash.

**10 Ultimate parent company**

The Company is a subsidiary undertaking of Square Inc. which is the ultimate parent company and ultimate controlling party incorporated in the USA.

The largest group in which the results of the Company are consolidated is that headed by Square Inc., incorporated in the USA. No other group financial statements include the results of the Company. The consolidated financial statements of this group is available to the public and may be obtained from [www.squareup.com/about/investors](http://www.squareup.com/about/investors).

**11 Subsequent Events**

On 29 February 2016 the Company received a capital contribution of £3,900,000 from the Parent Company in exchange for ordinary shares at £1.00 a share.