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**Report of the Director and  
Financial Statements for the Year Ended 31 December 2012  
for  
Starlims Europe Limited**

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**Starlins Europe Limited**

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for the Year Ended 31 December 2012**

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**Starlims Europe Limited**  
**Company Information**  
**for the Year Ended 31 December 2012**

<b>DIRECTOR.</b>	Mr Thomas Craig Freyman
<b>SECRETARY</b>	Mr Elian Robert Winstanley
<b>REGISTERED OFFICE</b>	2nd Floor, Crossgate House Cross Street Sale Cheshire M33 7FT
<b>REGISTERED NUMBER</b>	03422264 (England and Wales)
<b>AUDITORS</b>	Bentleys Chartered Accountants Statutory Auditor Hazlemere 70 Chorley New Road Bolton Lancashire BL1 4BY
<b>BANKERS</b>	The Royal Bank of Scotland plc Scotland Corporate Service Centre Audits Team 1st Floor                      Drummond House 1 Redheughs Avenue EDINBURGH EH12 9JN

## **Starlims Europe Limited**

### **Report of the Director for the Year Ended 31 December 2012**

The director presents his report with the financial statements of the company for the year ended 31 December 2012

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the sale and support of Laboratory Software Systems

#### **REVIEW OF BUSINESS**

Starlims Technologies was acquired by Abbott pharmaceuticals in March 2010. Since this acquisition Starlims Europe has seen significant growth in headcount and investment. The backing of Abbott has led to the ability for Starlims to win some major deals in 2010 and 2011, significantly, Pepsico Inc, Scottish Police and on-going work with Syngenta.

In 2012 STARLIMS Europe Ltd made the decision to move to new offices. Premises were identified in Sale, Manchester and plans developed and implemented for the fit out of the new offices. STARLIMS Europe occupied the premises on 7th January 2013.

STARLIMS Technologies Ltd is a leading provider of laboratory information management systems (LIMS), with over 20 years of LIMS experience. The Company's flagship product, STARLIMS(R), improves the reliability of laboratory sampling processes, supports compliance with domestic and international regulations and industry standards, and provides comprehensive reporting, monitoring and analysis capabilities. STARLIMS software is used for quality assurance and control, testing and monitoring, and research and development in government, manufacturing and life sciences organisations. With operations in the United States, Canada, the United Kingdom, Israel and Hong Kong, the company serves over 500 organisations in 40 countries. For more information, please see <http://www.starlims.com>

Revenues are generated from the sale of perpetual licences to use STARLIMS, software maintenance and related professional services. Our customers generally enter into a standard licence and services agreement with us, under which they are granted a perpetual, non-exclusive licence to use STARLIMS software and are offered the right to be able to buy annual maintenance that provides updates and upgrades to our software as they become available. STARLIMS offices offer professional services, which include consulting, implementation, training and technical support.

The adaptable nature of our software allows us to serve a wide range of industries, including pharmaceutical, agricultural, food and beverage, oil and gas, environmental, chemical, forensics and cosmetics. Of particular note is the Company's increasing success in the public health and clinical sectors worldwide, including a number of ongoing information management system contracts within the NHS.

There have been no exceptional or abnormal transactions during the year. The Group has internal benchmarks and key performance indicators (KPI's) that are commercially sensitive and not available for disclosure in the public domain.

Standard accounting ratios and KPI's can be abstracted from the accounts.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2012.

#### **FUTURE DEVELOPMENTS**

STARLIMS's vision is to integrate all the information a laboratory creates into a single, web-based platform, while providing the means to manage a wide range of laboratory processes and workflows. Following this strategy, the Group launched an entirely web-based LIMS as early as 2006, and are regularly adding strategic capabilities to that powerful platform. In March 2008, we introduced STARLIMS SDMS, an integrated Scientific Data Management System solution capable of parsing and managing unstructured data together with structured (LIMS) data. Leveraging these two technologies, we made another step towards a unified platform for the paperless laboratory by developing the STARLIMS Electronic Notebook, launched in March 2009. Future developments include creating a version 11 technology that will allow Starlims to support tablet and mobile applications.

## **Starlms Europe Limited**

### **Report of the Director for the Year Ended 31 December 2012**

STARLIMS has identified a major opportunity in the area of Health Pathology systems with a particular emphasis on the UK NHS. Existing suppliers of these systems have not responded well to changing technology or user needs, and many systems already in place are coming up for renewal. STARLIMS received approval from Abbott to invest in the development of a system to meet the needs of these clients. A team has been established in the UK which, together with resources in the US, will develop a product to meet these needs. This product will be based on the existing Clinical product.

The Group places considerable emphasis on research and development to expand the capabilities of our existing products and technology, to develop new products, and to improve our existing technologies and capabilities. We believe that our future success will depend upon our ability to maintain our technological leadership, to enhance our existing products and technology, and to introduce on a timely basis new commercially viable products and technology addressing the needs of our customers. As part of our product development process, we seek to maintain close relationships with our customers to identify market needs and to define appropriate product specifications.

#### **DIRECTOR**

Mr Thomas Craig Freyman held office during the whole of the period from 1 January 2012 to the date of this report.

#### **COMPANY'S POLICY ON PAYMENT OF CREDITORS**

The company settles its purchase invoices in accordance with the payment terms agreed with the suppliers. The normal policy is to pay invoices promptly and within the normal 30 days.

#### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law, the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

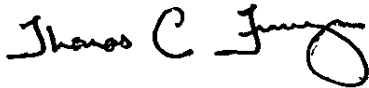
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Starlims Europe Limited**  
**Report of the Director**  
**for the Year Ended 31 December 2012**

**AUDITORS**

The auditor, Bentleys Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD**



Mr Thomas Craig Freyman - Director

Date **27/03/2013**

## **Report of the Independent Auditors to the Members of Starlins Europe Limited**

We have audited the financial statements of Starlins Europe Limited for the year ended 31 December 2012 on pages seven to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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 director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

**Report of the Independent Auditors to the Members of  
Starlins Europe Limited**

**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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

JOHN JOSEPH SHAW BA(Hons) FCA DChA (Senior Statutory Auditor)  
for and on behalf of Bentleys  
Chartered Accountants  
Statutory Auditor  
Hazlemere  
70 Chorley New Road  
Bolton  
Lancashire  
BL1 4BY

Date

27/03/2013



**Starlims Europe Limited**  
**Profit and Loss Account**  
**for the Year Ended 31 December 2012**

	Notes	2012 £	2011 £
<b>TURNOVER</b>	2	2,335,951	2,712,264
Raw materials and consumables		(400,770)	(1,078,548)
Staff costs	3	(1,310,991)	(1,004,074)
Depreciation		(20,853)	(11,691)
Other operating charges		(519,151)	(508,578)
<b>OPERATING PROFIT</b>	4	84,186	109,373
Interest receivable and similar income		92	62
		84,278	109,435
Interest payable and similar charges	5	(466)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		83,812	109,435
Tax on profit on ordinary activities	6	(23,561)	(25,029)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		60,251	84,406
Retained profit brought forward		268,808	184,402
		329,059	268,808
<b>RETAINED PROFIT CARRIED FORWARD</b>		329,059	268,808

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

**Starlims Europe Limited**

**Balance Sheet  
31 December 2012**

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	7	226,851	29,341
<b>CURRENT ASSETS</b>			
Debtors	8	582,587	1,488,380
Cash at bank		393,620	313,201
		<u>976,207</u>	<u>1,801,581</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(863,946)	(1,552,061)
<b>NET CURRENT ASSETS</b>		<u>112,261</u>	<u>249,520</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>339,112</u>	<u>278,861</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	8,400	8,400
Capital redemption reserve	13	1,653	1,653
Profit and loss account		329,059	268,808
<b>SHAREHOLDERS' FUNDS</b>	17	<u>339,112</u>	<u>278,861</u>

The financial statements were approved by the director on **27/03/2013** and were signed by

  
Mr Thomas Craig Freyman - Director

The notes form part of these financial statements

## Starlims Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2012

#### 1 ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention

##### Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

##### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration

##### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Leasehold Improvements	- Straight line over 7 years
Office equipment	- Straight line over 7 years
Fixtures and fittings	- Straight line over 7 years
Computer equipment	- 33% on cost

##### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

##### 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 transaction. Exchange differences are taken into account in arriving at the operating result

##### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

##### Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

#### 2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company

#### 3 STAFF COSTS

	2012 £	2011 £
Wages and salaries	1,052,134	801,037
Social security costs	97,978	80,857
Other pension costs	160,879	122,180
	<u>1,310,991</u>	<u>1,004,074</u>

**Starlims Europe Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012**

**3 STAFF COSTS - continued**

The average monthly number of employees during the year was as follows

	2012	2011
Technical consultants & programmers	15	14
Training	3	1
Sales & Marketing	3	2
Research & Development	1	2
Admin	3	2
	<u>25</u>	<u>21</u>

**4 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Other operating leases	58,836	53,131
Depreciation - owned assets	20,823	12,423
Auditors' remuneration	6,665	4,650
Foreign exchange differences	26,543	(30,182)
Auditors' remuneration - non audit services	-	2,791
Rent paid	<u>91,780</u>	<u>81,885</u>

Director's remuneration	<u>-</u>	<u>-</u>
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**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	2012 £	2011 £
Corporation tax interest	<u>466</u>	<u>-</u>

**6 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
UK corporation tax	13,379	32,483
Over/under provision of corporation tax in respect of prior year	<u>4,882</u>	<u>(5,110)</u>
Total current tax	18,261	27,373
Deferred tax	<u>5,300</u>	<u>(2,344)</u>
Tax on profit on ordinary activities	<u>23,561</u>	<u>25,029</u>

**Starlins Europe Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012**

**7 TANGIBLE FIXED ASSETS**

	Leasehold Improvements £	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2012	-	6,942	1,060	90,727	98,729
Additions	139,230	10,536	40,515	28,052	218,333
At 31 December 2012	139,230	17,478	41,575	118,779	317,062
<b>DEPRECIATION</b>					
At 1 January 2012	-	6,194	1,060	62,134	69,388
Charge for year	1,612	322	174	18,715	20,823
At 31 December 2012	1,612	6,516	1,234	80,849	90,211
<b>NET BOOK VALUE</b>					
At 31 December 2012	137,618	10,962	40,341	37,930	226,851
At 31 December 2011	-	748	-	28,593	29,341

**8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Trade debtors	537,568	1,458,934
Other debtors	5,466	-
Deferred tax asset	2,441	7,741
Prepayments and accrued income	37,112	21,705
	<u>582,587</u>	<u>1,488,380</u>

**9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Trade creditors	19,265	9,913
Amounts owed to group undertakings	361,451	964,940
Tax	13,379	32,483
Social security and other taxes	35,663	48,870
Payments on account	39,150	-
Accruals & deferred income	395,038	495,855
	<u>863,946</u>	<u>1,552,061</u>

**Starlins Europe Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012**

**10 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2012 £	2011 £	2012 £	2011 £
Expiring				
Within one year	-	90,516	12,996	6,578
Between one and five years	72,196	-	30,469	43,445
	<u>72,196</u>	<u>90,516</u>	<u>43,465</u>	<u>50,023</u>

**11 DEFERRED TAX**

	£
Balance at 1 January 2012	(7,741)
Provided during year	5,300
Balance at 31 December 2012	<u>(2,441)</u>

The recognition of the deferred tax asset is supported by management's forecasts of the future profitability of the business

**12 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
8,400	Ordinary	£1	<u>8,400</u>	<u>8,400</u>

**13 RESERVES**

	Capital redemption reserve £
At 1 January 2012	1,653
At 31 December 2012	<u>1,653</u>

**14 ULTIMATE PARENT COMPANY**

Abbott Laboratories (incorporated in the USA) is regarded by the director as being the company's ultimate parent company

Abbott Laboratories is listed on the New York Stock Exchange and the London Stock Exchange

**15 RELATED PARTY DISCLOSURES**

The company is wholly owned by its parent company and has taken advantage of the exemption in FRS 8 Related Party Disclosures to not disclose transactions with its parent company and other wholly owned subsidiaries within the group

**Starlins Europe Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2012**

**16 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Abbott Laboratories (incorporated in the USA)

**17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2012	2011
	£	£
Profit for the financial year	60,251	84,406
<b>Net addition to shareholders' funds</b>	<b>60,251</b>	<b>84,406</b>
Opening shareholders' funds	278,861	194,455
<b>Closing shareholders' funds</b>	<b>339,112</b>	<b>278,861</b>

**Starlims Europe Limited**

**Trading and Profit and Loss Account  
for the Year Ended 31 December 2012**

	2012		2011	
	£	£	£	£
<b>Sales</b>		2,335,951		2,712,264
<b>Cost of sales</b>				
Purchases		400,770		1,078,548
<b>GROSS PROFIT</b>		1,935,181		1,633,716
<b>Other income</b>				
Deposit account interest		92		62
		1,935,273		1,633,778
<b>Expenditure</b>				
Rent	91,780		81,885	
Rates and water	6,389		12,552	
Wages	1,052,134		801,037	
Social security	97,978		80,857	
Pensions	160,879		122,180	
Vehicle leasing charges	58,836		53,131	
Telephone	30,067		26,822	
Post and stationery	2,059		4,645	
Marketing and promotion	6,399		102,132	
Travelling	177,318		123,359	
Motor expenses	41,738		34,809	
Insurance	1,569		1,433	
Repairs and renewals	408		385	
Computer related	9,120		7,020	
Medical cover	18,334		11,473	
Sundry expenses	8,977		10,519	
Training costs	3,416		5,621	
Legal and professional fees	46,737		45,647	
Auditors' remuneration	6,685		4,650	
Foreign exchange (gains) / losses	26,543		(30,182)	
Bad debts	(19,602)		10,500	
		1,827,744		1,510,475
		107,529		123,303
<b>Finance costs</b>				
Bank charges	2,398		2,177	
Corporation tax interest	466		-	
		2,864		2,177
		104,665		121,126
<b>Depreciation</b>				
Depreciation		20,853		11,691
<b>NET PROFIT</b>		83,812		109,435

This page does not form part of the statutory financial statements