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**Report of the Director and**  
**Financial Statements for the Year Ended 31 December 2013**  
**for**  
**Starlins Europe Limited**

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**Starlins Europe Limited**

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**for the Year Ended 31 December 2013**

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**Starlins Europe Limited**  
**Company Information**  
**for the Year Ended 31 December 2013**

<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>	DonnellyBentley Limited 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 2013**

The director presents his report with the financial statements of the company for the year ended 31 December 2013

**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 2013 a major sale was made to Warner Chilcott and the development of a new product aimed at the Clinical market resulted in delivery of the first modules to our development partner. In addition there has been a high level of interest in this product within the UK and the rest of the world. On 7th January 2013 STARLIMS Europe Ltd moved in to their new premises at Crossgate House, Sale Manchester. This has enabled further growth for the organisation and an improved collaborative working environment.

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 2013.

**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 release of the version 11 technology that among other benefits will allow Starlims to support tablet and mobile applications.

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**Starlims Europe Limited**

**Report of the Director**  
**for the Year Ended 31 December 2013**

STARLIMS 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. In 2013 a development partner was also identified for this initiative and a number of software modules that make up the product have been delivered to them. This product is also generating significant interest within the market place with a number of high value opportunities being generated in the UK, Europe and the Rest of The World.

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 2013 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.

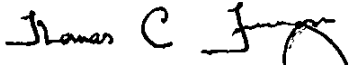
**Starlims Europe Limited**  
**Report of the Director**  
**for the Year Ended 31 December 2013**

**AUDITORS**

The director has noted the transfer of the business of Bentleys Chartered Accountants to DonnellyBentley Limited and he was content to acknowledge that the provisions of the Companies Act section 1216 (5) were applicable in this case. He further consented to the Senior Statutory Auditor, John Joseph Shaw, continuing to be the Responsible Individual for the audit of his accounts and that the firm for audit registration purposes was now DonnellyBentley Ltd.

The auditor, DonnellyBentley Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Mr Thomas Craig Freyman - Director

Date 8<sup>th</sup> May 2014

**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 2013 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 2013 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 DonnellyBentley Limited

Chartered Accountants  
Statutory Auditor  
Hazlemere  
70 Chorley New Road  
Bolton  
Lancashire  
BL1 4BY

Date **8/5/14**

A large, stylized handwritten signature in black ink, appearing to read 'Shaw', with a long horizontal line extending from the bottom right.



**Starlins Europe Limited**  
**Profit and Loss Account**  
**for the Year Ended 31 December 2013**

	Notes	2013 £	2012 £
<b>TURNOVER</b>	2	1,910,083	2,335,951
Other operating income		1,078,170	-
		<u>2,988,253</u>	<u>2,335,951</u>
Raw materials and consumables		42,101	400,770
		<u>2,946,152</u>	<u>1,935,181</u>
Staff costs	3	2,160,167	1,310,991
Depreciation		49,930	20,853
Other operating charges		603,231	519,151
		<u>2,813,328</u>	<u>1,850,995</u>
<b>OPERATING PROFIT</b>	4	132,824	84,186
Interest receivable and similar income		114	92
		<u>132,938</u>	<u>84,278</u>
Interest payable and similar charges	5	-	466
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		132,938	83,812
Tax on profit on ordinary activities	6	37,397	23,561
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>95,541</u>	<u>60,251</u>
Retained profit brought forward		<u>329,059</u>	<u>268,808</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>424,600</u>	<u>329,059</u>

**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

**Starlins Europe Limited (Registered number: 03422264)**

**Balance Sheet**  
**31 December 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	7	196,050	226,851
<b>CURRENT ASSETS</b>			
Debtors	8	419,117	582,587
Cash at bank		440,005	393,620
		859,122	976,207
<b>CREDITORS</b>			
Amounts falling due within one year	9	620,519	863,946
<b>NET CURRENT ASSETS</b>		238,603	112,261
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		434,653	339,112
<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		424,600	329,059
<b>SHAREHOLDERS' FUNDS</b>	17	434,653	339,112

The financial statements were approved by the director on *20th May 2014* 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 2013**

**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**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,737,165	1,052,134
Social security costs	158,790	97,978
Other pension costs	264,212	160,879
	<u>2,160,167</u>	<u>1,310,991</u>

**Starlims Europe Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2013**

**3 STAFF COSTS - continued**

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

	<b>2013</b>	<b>2012</b>
Technical consultants & programmers	25	15
Training	2	3
Sales & Marketing	4	3
Research & Development	1	1
Admin	2	3
	<u>34</u>	<u>25</u>

**4 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other operating leases	67,547	58,836
Depreciation - owned assets	49,887	20,823
Auditors' remuneration	7,005	6,665
Foreign exchange differences	(6,875)	26,543
Rent paid	<u>79,049</u>	<u>91,780</u>

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Corporation tax interest	<u>-</u>	<u>466</u>

**6 TAXATION**

**Analysis of the tax charge**

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Current tax		
UK corporation tax	33,872	13,379
Over/under provision of corporation tax in respect of prior year	<u>2,706</u>	<u>4,882</u>
Total current tax	36,578	18,261
Deferred tax	<u>819</u>	<u>5,300</u>
Tax on profit on ordinary activities	<u>37,397</u>	<u>23,561</u>

**Starlins Europe Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013**

**7 TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2013	139,230	17,478	41,575	118,779	317,062
Additions	2,189	5,000	—	11,899	19,088
Disposals	—	—	—	(9,767)	(9,767)
At 31 December 2013	141,419	22,478	41,575	120,911	326,383
<b>DEPRECIATION</b>					
At 1 January 2013	1,612	6,516	1,234	80,849	90,211
Charge for year	20,341	1,836	5,788	21,922	49,887
Eliminated on disposal	—	—	—	(9,765)	(9,765)
At 31 December 2013	21,953	8,352	7,022	93,006	130,333
<b>NET BOOK VALUE</b>					
At 31 December 2013	119,466	14,126	34,553	27,905	196,050
At 31 December 2012	137,618	10,962	40,341	37,930	226,851

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

	2013 £	2012 £
Trade debtors	384,759	537,568
Other debtors	—	5,466
Deferred tax asset	1,622	2,441
Prepayments and accrued income	32,736	37,112
	419,117	582,587

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

	2013 £	2012 £
Trade creditors	6,273	19,265
Amounts owed to group undertakings	18,529	361,451
Tax	33,872	13,379
Social security and other taxes	65,222	35,663
Payments on account	39,150	39,150
Accruals & deferred income	457,473	395,038
	620,519	863,946

**Starlins Europe Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013**

**10 OPERATING LEASE COMMITMENTS**

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

	<b>Land and buildings</b>		<b>Other operating leases</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiring				
Within one year	-	-	15,597	12,996
Between one and five years	72,196	72,196	23,545	30,469
	<u>72,196</u>	<u>72,196</u>	<u>39,142</u>	<u>43,465</u>

**11 DEFERRED TAX**

	<b>£</b>
Balance at 1 January 2013	(2,441)
Provided during year	819
Balance at 31 December 2013	<u>(1,622)</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**

<b>Allotted, issued and fully paid:</b>				
<b>Number:</b>	<b>Class.</b>	<b>Nominal</b>	<b>2013</b>	<b>2012</b>
		<b>value</b>	<b>£</b>	<b>£</b>
8,400	Ordinary	£1	<u>8,400</u>	<u>8,400</u>

**13 RESERVES**

	<b>Capital redemption reserve</b>
	<b>£</b>
At 1 January 2013	1,653
At 31 December 2013	<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

**Starlims Europe Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2013**

**16 ULTIMATE CONTROLLING PARTY**

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

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	95,541	60,251
<b>Net addition to shareholders' funds</b>	<b>95,541</b>	<b>60,251</b>
Opening shareholders' funds	339,112	278,861
<b>Closing shareholders' funds</b>	<b>434,653</b>	<b>339,112</b>

**Starlins Europe Limited**

**Trading and Profit and Loss Account  
for the Year Ended 31 December 2013**

	2013		2012	
	£	£	£	£
<b>Sales</b>		1,910,083		2,335,951
<b>Cost of sales</b>				
Purchases		42,101		400,770
<b>GROSS PROFIT</b>		1,867,982		1,935,181
<b>Other income</b>				
Transfer pricing recharge	1,078,170		-	
Deposit account interest	114		92	
		1,078,284		92
		2,946,266		1,935,273
<b>Expenditure</b>				
Rent	79,049		91,780	
Rates and water	50,955		6,389	
Light and heat	5,403		-	
Wages	1,737,165		1,052,134	
Social security	158,790		97,978	
Pensions	264,212		160,879	
Vehicle leasing charges	67,547		58,836	
Telephone	37,802		30,067	
Post and stationery	8,333		2,059	
Marketing and promotion	45,238		6,399	
Travelling	171,808		177,318	
Motor expenses	32,484		41,738	
Insurance	2,066		1,569	
Repairs and renewals	1,252		408	
Computer related	20,595		9,120	
Medical cover	30,270		18,334	
Sundry expenses	14,814		8,977	
Training costs	-		3,416	
Legal and professional fees	36,384		46,737	
Auditors' remuneration	7,005		6,665	
Foreign exchange (gains) / losses	(6,875)		26,543	
Bad debts	(3,119)		(19,602)	
		2,761,178		1,827,744
		185,088		107,529
<b>Finance costs</b>				
Bank charges	2,220		2,398	
Corporation tax interest	-		466	
		2,220		2,864
		182,868		104,665
<b>Depreciation</b>				
Depreciation		49,930		20,853
<b>NET PROFIT</b>		132,938		83,812

This page does not form part of the statutory financial statements