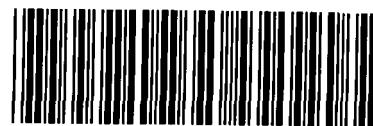


**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017  
FOR  
STARRAG GROUP HOLDINGS LIMITED**

THURSDAY



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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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**STARRAG GROUP HOLDINGS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**DIRECTORS:** G Bruetsch  
W Boersch

**SECRETARY:** P Whistance

**REGISTERED OFFICE:** 43-45 Phoenix Park  
Avenue Close  
Nechells  
Birmingham  
West Midlands  
B7 4NU

**REGISTERED NUMBER:** 03331233 (England and Wales)

**AUDITORS:** DNG Dove Naish  
Chartered Accountants  
and Statutory Auditor  
Eagle House  
28 Billing Road  
Northampton  
NN1 5AJ

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report with the financial statements of the company for the year ended 31 December 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a holding company for its wholly owned subsidiary Starrag UK Limited and for a 85% holding in Indexexpert Holdings Limited, which acts as a holding company for its own wholly owned subsidiary Toolroom Technology Limited.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

G Bruetsch  
W Boersch

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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.

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

So far as the directors are 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 each director 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.

**AUDITORS**

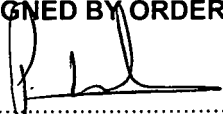
The auditors, DNG Dove Naish, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**SIGNED BY ORDER OF THE DIRECTORS:**



.....  
P Whistance - Secretary

Date: 02/05/2018

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STARRAG GROUP HOLDINGS LIMITED**

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### **Opinion**

We have audited the financial statements of Starrag Group Holdings Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STARRAG GROUP HOLDINGS LIMITED

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 or in preparing the Report of the Directors.

### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



Patrick Smith (Senior Statutory Auditor)  
for and on behalf of DNG Dove Naish  
Chartered Accountants  
and Statutory Auditor  
Eagle House  
28 Billing Road  
Northampton  
NN1 5AJ

Date: 15th May 2018

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017

|  | Notes | 2017      |           | 2016   |          |
|--|-------|-----------|-----------|--------|----------|
|  |       | £         | £         | £      | £        |
| <b>TURNOVER</b>                                |       |           | -         |        | -        |
| <b>OPERATING PROFIT</b>                        | 3     |           | -         |        | -        |
| Income from shares in group undertakings       |       | 2,000,000 |           | 74,724 |          |
| Interest receivable and similar income         |       | -         |           | 2,619  |          |
|  |       |           | 2,000,000 |        | 77,343   |
|  |       |           | 2,000,000 |        | 77,343   |
| Interest payable and similar expenses          | 4     |           | 81,748    |        | 86,174   |
| <b>PROFIT/(LOSS) BEFORE TAXATION</b>           |       |           | 1,918,252 |        | (8,831)  |
| Tax on profit/(loss)                           | 5     |           | (15,734)  |        | (16,711) |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>           |       |           | 1,933,986 |        | 7,880    |
| <b>OTHER COMPREHENSIVE INCOME</b>              |       |           | -         |        | -        |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> |       |           | 1,933,986 |        | 7,880    |

The notes form part of these financial statements



STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2017

|  | Notes | 2017           |                  | 2016           |                  |
|--|-------|----------------|------------------|----------------|------------------|
|  |       | £              | £                | £              | £                |
| <b>FIXED ASSETS</b>                          |       |                |                  |                |                  |
| Investments                                  | 6     |                | 2,418,291        |                | 2,048,442        |
| <b>CURRENT ASSETS</b>                        |       |                |                  |                |                  |
| Debtors                                      | 7     | -              |                  | 31,072         |                  |
| <b>CREDITORS</b>                             |       |                |                  |                |                  |
| Amounts falling due within one year          | 8     | <u>172,846</u> |                  | <u>649,199</u> |                  |
| <b>NET CURRENT LIABILITIES</b>               |       |                | <u>(172,846)</u> |                | <u>(618,127)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                | 2,245,445        |                | 1,430,315        |
| <b>CREDITORS</b>                             |       |                |                  |                |                  |
| Amounts falling due after more than one year | 9     |                | <u>-</u>         |                | <u>1,118,856</u> |
| <b>NET ASSETS</b>                            |       |                | <u>2,245,445</u> |                | <u>311,459</u>   |
| <b>CAPITAL AND RESERVES</b>                  |       |                |                  |                |                  |
| Called up share capital                      | 10    |                | 50,000           |                | 50,000           |
| Share premium                                | 11    |                | 23,900           |                | 23,900           |
| Retained earnings                            | 11    |                | <u>2,171,545</u> |                | <u>237,559</u>   |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                | <u>2,245,445</u> |                | <u>311,459</u>   |

The financial statements were approved by the Board of Directors on 02/05/2018 and were signed on its behalf by:

  
.....  
G Bruetsch - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

|                                    | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Share<br>premium<br>£ | Total<br>equity<br>£ |
|------------------------------------|------------------------------------|---------------------------|-----------------------|----------------------|
| <b>Balance at 1 January 2016</b>   | 50,000                             | 229,679                   | 23,900                | 303,579              |
| <b>Changes in equity</b>           |                                    |                           |                       |                      |
| Total comprehensive income         | -                                  | 7,880                     | -                     | 7,880                |
| <b>Balance at 31 December 2016</b> | 50,000                             | 237,559                   | 23,900                | 311,459              |
| <b>Changes in equity</b>           |                                    |                           |                       |                      |
| Total comprehensive income         | -                                  | 1,933,986                 | -                     | 1,933,986            |
| <b>Balance at 31 December 2017</b> | 50,000                             | 2,171,545                 | 23,900                | 2,245,445            |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. STATUTORY INFORMATION**

Starrag Group Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

**Preparation of consolidated financial statements**

The financial statements contain information about Starrag Group Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Starrag AG, .

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

**Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

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.

**3. OPERATING PROFIT**

The operating profit is stated after charging:

|      |      |
|------|------|
| 2017 | 2016 |
| £    | £    |

Auditors remuneration of £1,250 (2016 - £625) has been borne by a subsidiary undertaking.

**4. INTEREST PAYABLE AND SIMILAR EXPENSES**

|                                  |               |
|----------------------------------|---------------|
| 2017                             | 2016          |
| £                                | £             |
|                                  |               |
| Interest paid to group companies |               |
| <u>81,748</u>                    | <u>86,174</u> |
| <u>81,748</u>                    | <u>86,174</u> |

**5. TAXATION**

**Analysis of the tax credit**

The tax credit on the profit for the year was as follows:

|                      |                 |                 |
|----------------------|-----------------|-----------------|
|                      | 2017            | 2016            |
|                      | £               | £               |
| Current tax:         |                 |                 |
| UK corporation tax   | <u>(15,734)</u> | <u>(16,711)</u> |
| Tax on profit/(loss) | <u>(15,734)</u> | <u>(16,711)</u> |

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**5. TAXATION - continued****Reconciliation of total tax credit included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

|  | 2017<br>£        | 2016<br>£       |
|--|------------------|-----------------|
| Profit/(loss) before tax   | <u>1,918,252</u> | <u>(8,831)</u>  |
| Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%) | 364,468          | (1,766)         |
| Effects of:  |                  |                 |
| Tax losses created   | 15,532           | 2,208           |
| Group relief   | (15,734)         | (17,153)        |
| Income from shares in group  | <u>(380,000)</u> | <u>-</u>        |
| Total tax credit   | <u>(15,734)</u>  | <u>(16,711)</u> |

**6. FIXED ASSET INVESTMENTS**

|                       | Shares in<br>group<br>undertakings<br>£ |
|-----------------------|---|
| <b>COST</b>           |   |
| At 1 January 2017     | 2,048,442                               |
| Additions             | <u>369,849</u>                          |
| At 31 December 2017   | <u>2,418,291</u>                        |
| <b>NET BOOK VALUE</b> |   |
| At 31 December 2017   | <u>2,418,291</u>                        |
| At 31 December 2016   | <u>2,048,442</u>                        |

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Starrag UK Limited**

Registered office:

Nature of business: Distribution of machine tools

Class of shares: %  
 Ordinary holding  
 100.00

|                                | 2017<br>£      | 2016<br>£      |
|--------------------------------|----------------|----------------|
| Aggregate capital and reserves | 2,285,933      | 1,868,267      |
| Profit for the year            | <u>417,666</u> | <u>328,776</u> |

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**6. FIXED ASSET INVESTMENTS - continued****Indexexpert Holdings Limited**

Registered office:

Nature of business: Holding company

|                                | %<br>holding | 2017<br>£  | 2016<br>£     |
|--------------------------------|--------------|------------|---------------|
| Class of shares:               |              |            |               |
| Ordinary                       | 100.00       |            |               |
| Aggregate capital and reserves |              | 199,399    | 199,201       |
| Profit for the year            |              | <u>198</u> | <u>87,911</u> |

Starrag Group Holdings Limited also holds 160,000 preference shares in Indexexpert Holdings Limited. No dividends have been paid on the preference shares in the year.

Indexexpert Holdings Limited prepared accounts for the year ended 31 December 2017. Indexexpert Holdings Limited owns 100% of the ordinary share capital of Toolroom Technology Limited, a company incorporated in England whose main activities include computer programming and design. Toolroom Technology Limited's loss for the year ended 31 December 2017 was £1,514,606 (2016: profit £324,443). The company's capital and reserves at the same date were £1,729,833 (2016: £3,244,439).

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2017<br>£ | 2016<br>£     |
|------------------------------------|-----------|---------------|
| Amounts owed by group undertakings | <u>-</u>  | <u>31,072</u> |

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2017<br>£      | 2016<br>£      |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | <u>172,846</u> | <u>649,199</u> |

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                    | 2017<br>£ | 2016<br>£        |
|------------------------------------|-----------|------------------|
| Amounts owed to group undertakings | <u>-</u>  | <u>1,118,856</u> |

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class:          | Nominal<br>value: | 2017<br>£     | 2016<br>£     |
|---------|-----------------|-------------------|---------------|---------------|
| 50,000  | Ordinary Shares | £1                | <u>50,000</u> | <u>50,000</u> |

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**11. RESERVES**

|                     | Retained<br>earnings<br>£ | Share<br>premium<br>£ | Totals<br>£      |
|---------------------|---------------------------|-----------------------|------------------|
| At 1 January 2017   | 237,559                   | 23,900                | 261,459          |
| Profit for the year | <u>1,933,986</u>          | <u>          </u>     | <u>1,933,986</u> |
| At 31 December 2017 | <u>2,171,545</u>          | <u>23,900</u>         | <u>2,195,445</u> |

**12. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**13. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Starrag Group Holding AG a company registered in Switzerland.