

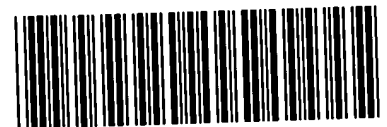
Registered number: 10960873

STELLAR FINANCE 1 LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 APRIL 2018

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## **STELLAR FINANCE 1 LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	M S Ansari (appointed 13 September 2017) R M Johnson (appointed 2 October 2017) A Schemmel (appointed 2 October 2017) T Shah (appointed 2 October 2017) M Vandamme (appointed 2 October 2017)
<b>Registered number</b>	10960873
<b>Registered office</b>	Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
<b>Independent auditor</b>	PKF Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
<b>Bankers</b>	Clydesdale Yorkshire Bank 137 New Street Birmingham B2 4NS

# **STELLAR FINANCE 1 LIMITED**

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**STELLAR FINANCE 1 LIMITED**  
**REGISTERED NUMBER: 10960873**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 APRIL 2018**


	Note	2018 £
<b>Fixed assets</b>		
Intangible assets	4	8,903,976
Tangible assets	5	103,117
		<u>9,007,093</u>
<b>Current assets</b>		
Stocks	7	1,140,491
Debtors	8	1,150,949
Cash at bank and in hand		1,191,222
		<u>3,482,662</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(2,678,225)</u>
<b>Net current assets</b>		<u>804,437</u>
<b>Total assets less current liabilities</b>		<u>9,811,530</u>
<b>Creditors: amounts falling due after more than one year</b>	10	(9,415,000)
<b>Net assets</b>		<u><u>396,530</u></u>
<b>Capital and reserves</b>		
Called up share capital		1
Profit and loss account		396,529
		<u><u>396,530</u></u>

The group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the consolidated statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**M S Ansari**  
 Director

Date: 18/10/2018

The notes on pages 3 to 15 form part of these financial statements.

**STELLAR FINANCE 1 LIMITED**  
**REGISTERED NUMBER: 10960873**

**COMPANY BALANCE SHEET**  
**AS AT 30 APRIL 2018**

	Note	2018 £
<b>Fixed assets</b>		
Investments	6	14,719,337
<b>Current assets</b>		
Debtors	8	455,478
Cash at bank and in hand		2,017
		<u>457,495</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,672,707)</u>
<b>Net current liabilities</b>		(1,215,212)
<b>Total assets less current liabilities</b>		13,504,125
<b>Creditors: amounts falling due after more than one year</b>	10	(13,504,124)
<b>Net asset</b>		<u><u>1</u></u>
<b>Capital and reserves</b>		
Called up share capital		<u>1</u>
		<u><u>1</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the consolidated statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**M S Ansari**  
Director

Date: 18/10/2018

The notes on pages 3 to 15 form part of these financial statements.

## STELLAR FINANCE 1 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2018

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 1.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiary (the group) as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained.

##### 1.3 Disclosure exemptions

The company has adopted the following disclosure exemptions:

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

Under FRS 102 Section 1.12, the company is exempt from the requirements to prepare a statement of cash flows on the grounds that its parent company, Stellar Associates 1 Limited, includes the company's cash flows in its consolidated financial statements.

##### 1.4 Going concern

The directors have prepared cash flow forecasts which demonstrate that the group has sufficient finance facilities available to continue in business for a period of at least 12 months from the date of approval of the financial statements. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

## STELLAR FINANCE 1 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2018

#### 1. Accounting policies (continued)

##### 1.5 Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

The group derives revenue from the sale of machinery, service and maintenance contracts, software licences and software support contracts.

Machines - the group recognises revenue on delivery of the machine. On long term contracts profit is recognised as the work is carried out if the final outcome can be assessed with reasonable certainty [see 1.11].

Software licences - the group recognises revenue when evidenced by a signed agreement, the delivery of the produce has occurred, and the fee is fixed and determinable.

Software support contracts - the group recognises revenue on a straight line basis over the period of the contract. Revenue not recognised in the profit and loss account under this policy is classified as deferred income in the balance sheet.

Service and maintenance contracts - the group recognises revenue in line with its obligations based on the contract. Revenue not recognised in the profit and loss account under this policy is classified as deferred income in the balance sheet.

##### 1.6 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated profit and loss account over its useful economic life assessed at 10 years.

##### 1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## STELLAR FINANCE 1 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2018

#### 1. Accounting policies (continued)

##### 1.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

<b>Leasehold improvements</b>	<b>- Over the period of the lease</b>
<b>Plant &amp; equipment</b>	<b>- 20 % straight line</b>
<b>Motor vehicles</b>	<b>- 25% straight line</b>
<b>Fixtures and fittings</b>	<b>- 15% straight line</b>
<b>Computer equipment</b>	<b>- 33% straight line</b>

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated profit and loss account.

##### 1.8 Investments

In the parent company financial statements the investment in the subsidiary is accounted for at cost less accumulated impairment.

##### 1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.



## STELLAR FINANCE 1 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2018

#### 1. Accounting policies (continued)

##### 1.10 Financial instruments

The group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

##### 1.11 Long term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as a proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Full provision is made for losses on all contracts in the year in which they are first foreseen.

## STELLAR FINANCE 1 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2018

#### 1. Accounting policies (continued)

##### 1.12 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated profit and loss account within administrative expenses. All other foreign exchange gains and losses are presented in the Consolidated profit and loss account within 'other operating income'.

##### 1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

##### 1.14 Operating leases

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

##### 1.15 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the period.

##### 1.16 Borrowing costs

All borrowing costs are recognised in the consolidated profit and loss account in the period in which they are incurred.

##### 1.17 Taxation

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income by the reporting date.

##### 1.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

##### 1.19 Research and development

Research and development is written off in the period which it is incurred.

**STELLAR FINANCE 1 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2018**

**2. Auditor's remuneration**

	<b>2018 £</b>
<b>Fees payable to the group's auditor for the audit of the group's annual financial statements</b>	4,600
	<hr/>
	<b>2018 £</b>
<b>The auditing of accounts of subsidiaries of the company pursuant to legislation</b>	14,850
<b>Other services relating to taxation</b>	3,000
	<hr/>

**3. Employees**

The average monthly number of group employees, including directors, during the period was 47.

The company has no employees other than the directors, who were remunerated via other group companies.

**4. Intangible assets**

**Group**

	<b>Goodwill £</b>
<b>Cost</b>	
<b>On acquisition of subsidiaries</b>	9,455,548
	<hr/>
<b>At 30 April 2018</b>	9,455,548
	<hr/>
<b>Amortisation</b>	
<b>Charge for the period</b>	551,572
	<hr/>
<b>At 30 April 2018</b>	551,572
	<hr/>
<b>Net book value</b>	
<b>At 30 April 2018</b>	8,903,976
	<hr/>

STELLAR FINANCE 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2018

5. Tangible fixed assets

Group

	Leasehold improvements £	Other fixed assets £	Total £
<b>Cost</b>			
Acquisition of subsidiary	16,240	135,472	151,712
At 30 April 2018	16,240	135,472	151,712
<b>Depreciation</b>			
Charge for the period	3,477	45,118	48,595
At 30 April 2018	3,477	45,118	48,595
<b>Net book value</b>			
At 30 April 2018	12,763	90,354	103,117

**STELLAR FINANCE 1 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2018**

**6. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
On acquisition of subsidiary	14,719,337
<b>At 30 April 2018</b>	<u>14,719,337</u>
<b>Net book value</b>	
<b>At 30 April 2018</b>	<u><u>14,719,337</u></u>

On 2 October 2017 the company acquired 100% of the shares in Esprit Automation Limited. The consideration for the shares included an initial consideration of £12,889,124 as well as deferred consideration totalling £1,560,000. The company incurred additional costs of £270,213, which have been capitalised within the above cost of investment.

Esprit Automation Limited is included within these consolidated financial statements from acquisition on 2 October 2017. The registered office of the subsidiary undertaking is Plackett Mill, Church Drive, Sandiacre, Nottingham, NG10 5EE.

Please see note 18 for further information.

**7. Stocks**

	<b>Group 2018 £</b>	<b>Company 2018 £</b>
<b>Finished goods and goods for resale</b>	<u>1,140,491</u>	<u>-</u>

**8. Debtors**

	<b>Group 2018 £</b>	<b>Company 2018 £</b>
<b>Trade debtors</b>	794,344	-
<b>Amounts owed by group undertakings</b>	-	179,478
<b>Other debtors</b>	340,605	260,000
<b>Interest rate collar</b>	16,000	16,000
	<u>1,150,949</u>	<u>455,478</u>

# STELLAR FINANCE 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2018

### 9. Creditors: Amounts falling due within one year

	Group 2018 £	Company 2018 £
Bank loans	545,876	545,876
Trade creditors	702,066	-
Amounts owed to group undertakings	221,025	859,842
Corporation tax	83,460	-
Other taxation and social security	422,572	-
Other creditors	696,237	260,000
Accruals and deferred income	6,989	6,989
	<u>2,678,225</u>	<u>1,672,707</u>

### 10. Creditors: Amounts falling due after more than one year

	Group 2018 £	Company 2018 £
Bank loans	4,450,000	4,450,000
Amounts owed to group undertakings	3,665,000	7,754,124
Other creditors	1,300,000	1,300,000
	<u>9,415,000</u>	<u>13,504,124</u>

The company borrowed £5,500,000 from Clydesdale Yorkshire bank on 2 October 2017 to fund the acquisition of Esprit Automation Limited. The loan is repayable over five years in quarterly instalments of £175,000, commencing 31 January 2018 and the remaining balance to be repaid 2 April 2023.

### 11. Loans

The bank loans comprise of facility A with amounts borrowed of £3,500,000 and facility B with amounts borrowed for £2,000,000. The interest rate charged on facility A is 3.45% and facility B is 3.95%.

	Group 2018 £	Company 2018 £
Amounts falling due within one year		
Bank loans	545,876	545,876
Amounts falling due 2-5 years		
Bank loans	2,275,000	2,275,000
Amounts falling due after more than 5 years		
Bank loans	2,175,000	2,175,000
	<u>4,995,876</u>	<u>4,995,876</u>

**STELLAR FINANCE 1 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2018**

**12. Share capital**

	2018 £
<b>Allotted, called up and fully paid</b>	
<b>1 Ordinary share of £0.10</b>	<b>1</b>
	<hr/> <hr/>

1 Ordinary share of £0.10 has been issued for par on 13 September 2017.

**13. Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost represents contributions payable by the group of £11,778. There were no amounts unpaid at the period end.

# STELLAR FINANCE 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2018

### 14. Acquisitions

On 2 October 2017, the company acquired 100% of the share capital of Esprit Automation Limited, a company that operates as a manufacturer of precision cutting plasma tools. The net book value of the net assets at the date of acquisition together with any fair value adjustments are detailed below:

	Esprit Automation Limited £	Fair value adjustment £	Fair value £
<b>Fixed assets</b>			
Tangible fixed assets	108,654	-	108,654
<b>Current assets</b>			
Stocks	1,011,027	-	1,011,027
Debtors	1,152,094	-	1,152,094
Cash at bank and in hand	5,045,596	-	5,045,596
<b>Total assets</b>	<u>7,317,371</u>	<u>-</u>	<u>7,317,371</u>
<b>Creditors</b>			
Due within one year	(2,035,621)	-	(2,035,621)
Deferred tax on differences between fair value and tax bases	(17,961)	-	(17,961)
<b>Total identifiable net assets</b>	<u>5,263,789</u>	<u>-</u>	<u>5,263,789</u>
<b>Goodwill</b>			<u>9,455,548</u>
<b>Total purchase consideration</b>			<u>14,719,337</u>



# STELLAR FINANCE 1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2018

### 14. Acquisitions (continued)

Consideration

	£
Cash	12,889,124
Stamp duty	72,190
Directors loan accounts transfered from Esprit Automation Limited	80,000
Legal fees	118,023
Deferred consideration	1,560,000
<b>Total purchase consideration</b>	<b>14,719,337</b>

Cash outflow on acquisition

Purchase consideration settled in cash, as above	12,889,124
--------------------------------------------------	------------

The results of Esprit Automation Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	5,322,108
Profit for the period	1,031,119

### 15. Related party transactions

During the year the group paid rent of £90,000 to a company in which some of the directors of Esprit Automation Limited during the period hold an investment.

There are no key management personnel other than the directors of the company. Details of their remuneration are shown in note 4.

### 16. Controlling party

The company is controlled by the board of directors of its ultimate parent company Stellar Associates 1 Limited.

The parent undertaking of the largest group for which consolidated financial statements are prepared is Stellar Associates 1 Limited. Consolidated financial statements are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

**STELLAR FINANCE 1 LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2018**

**17. Auditor's information**

As the profit and loss account has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with S444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

The auditor was PKF Cooper Parry Group Limited.

Andrew Honarmand signed the auditor's report as senior statutory auditor.