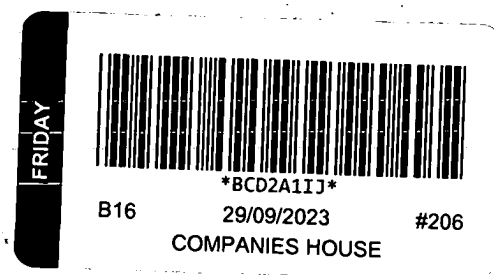


Registered number: 10163106

STAR TECH NG LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



STAR TECH NG LIMITED

COMPANY INFORMATION

Directors

M Burne
I Wallis

Company secretary

V Oswaldova

Registered number

10163106

Registered office

2nd Floor
168 Shoreditch High Street
London
E1 6RA

Independent auditors

Kreston Reeves LLP
Chartered Accountants
2nd Floor
168 Shoreditch High Street
London
E1 6RA

STAR TECH NG LIMITED

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STAR TECH NG LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their report and the financial statements for the year ended 31 December 2022.

Business review

The sharp reversal of risk sentiment, which began in the final quarter of 2021 as inflation took hold in many major western markets at rates unseen for a generation, continued into 2022 as Central Banks hiked interest rates aggressively and geo-political factors such as the outbreak of the Russian-Ukrainian war in February compounding already problematic supply chains and commodity prices.

Markets responded accordingly, with investors rotating out of 'risk' assets such as speculative technology stocks into fixed income and traditional 'legacy' industry stocks, such as energy and consumer staples, which were perceived as offering 'value'.

Stock markets rounded off a tumultuous year with gains in the December quarter. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. Broadly, US equities made robust gains in the quarter, with much of the progress made in November. Investors balanced ongoing caution from the Federal Reserve (Fed) with indications that the pace of policy tightening would slow, and signs that elevated inflation could be cooling.

Despite this the tech heavy NASDAQ Composite Index ended the year 33.1% down.

In private markets, the picture was not at all rosy throughout the year. With rising interest rates, geopolitical conflicts, and other macroeconomic factors battering public markets, public companies that were trading at sky-high multiples in 2021 were no longer able to sustain growth expectations into 2022 and beyond resulting in significant multiple compression.

Against this backdrop, the valuation 'gap' between public peers and late-stage private companies widened considerably from the 'heady' valuations achieved by the latter in the frothy private growth financing market of 2021. The predictable result was almost all IPO plans were 'paused', with the IPO market essentially shut.

Overall, the lack of exits throughout the year was a major headline in 2022, and VC exit valuations suffered accordingly. 2022 saw just 76 completed public listings—consisting of IPOs, direct listings, and deSPAC transactions — a 75.0% decline from the 303 completed in 2021. The median public listing exit valuation in 2022 fell to \$214.0 million, while the average declined to \$604.0 million—the lowest level Pitchbook had observed in more than five years.

Exits through acquisition also declined but were somewhat more resilient than public exit paths due to the often strategic reasons for a transaction. The median acquisition exit valuation fell to \$65.0 million in 2022, which was a small 3.5% decline compared to the 70.6% decline observed for median public listing exit valuations. Similarly, the average exit valuation declined 18.4% compared to 75.0% for public averages. This resiliency is likely driven by the many nonfinancial benefits of M&A, such as gaining access to new customer segments, which can be invaluable even during economic downturns. The annual valuation step-up (from last pre-IPO financing round) for public exits fell to 1.05x in 2022, well below the 1.55x step-up observed in 2021, offered investors little wiggle room for upside from investing in the most prior round.

Against this background the performance of the Company's indirect portfolio of late-stage pre-IPO technology companies, held through an authorised Class B Guernsey fund (the "Fund") advised by its associate, was mixed.

On 7th February the global logistics platform Flexport announced it had raised a further \$935 million of Series E financing at a post-money value of \$8 billion, up from \$3.2 billion at the prior Series D round, a pre-money gain of 2.21x. The round priced at a reputed \$14.50/share, some 45% above the Fund's entry price, was led by Tier 1 Silicon Valley VC firm Andreessen Horowitz and growth equity investor MSD Partners with further investment from follow-on investors Softbank Vision Fund I, Shopify Inc., DST Global and Founders Fund.

Following the expiration of Rent the Runway's lock-up period on 25th April 2022 the Fund sold the entirety of its small holding in early May at \$5.76 per share, the company's share price never having recovered to be close to its late October 2021 IPO price of \$21.00, trading in a \$4.50-\$7.00 range from early January to early May.

STAR TECH NG LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Late in the June quarter the Fund also sold the whole of its holding in Context Logic Inc. (Wish), disappointingly at \$1.98 per share, 92% below its IPO price of \$24 per share in December 2020.

The result of these exits and no further investing activity was that the late-stage portfolio became further concentrated, reducing from 6 investments to 4 over the year and the Fund is effectively now in run-off.

The weakness in the private markets was reflected in the Fund's net asset value per share over the year decreasing by 22.8%, although in January 2022 it was able to offer a coordinated liquidity event to its shareholders and the Company exercised its right of redemption to receive \$50,000.

Despite this weakness a number of the Company's portfolio of earlier stage companies were able to raise further finance from investors at higher values than previously. In March Linear Labs raised \$17m of 'Series A' finance and then in June Fonoo secured \$60m of 'Series B' finance after raising \$20.5m Series A the year earlier.

Principal risks and uncertainties

Loss in value of investments risk

Star Tech NG Ltd co-invests passively, either directly or indirectly, by taking minority positions in private technology companies, mainly based in the US, and does not exert control or influence over its investments.

The Company's largest single investment is in a Guernsey fund which its associate advises and whose concentrated portfolio of private US technology companies comprises market leading, often iconic, mid- to late-stage growth (pre-IPO) names with substantial private market values, often multi-billion US dollars.

These companies have substantial revenues with a clear focus on achieving profitability in the medium term, all having received numerous and sizable rounds of primary funding from some of the most well respected and deepest pocketed investors in the venture capital community. They generally have strong balance sheets and maintain comfortable cash reserves.

As companies within this portfolio graduate to public markets the Fund, and indirectly the Company, has greater visibility on an exit and liquidity. However, the Fund, and therefore the value of the Company's investment in it, then becomes more exposed to volatility in the public markets which may disproportionately affect some of its largest holdings.

The Company also has its portfolio of technology ventures at an earlier stage in their growth trajectory, but also backed by some of Silicon Valley's leading angel investors and venture capitalists. These companies have attractive business models and high-quality, entrepreneurial management teams with sophisticated investors sitting on their boards assisting them with their business execution and guiding them through economic gyrations. However, they will remain reliant for some time on repeated equity and sometimes debt fundraisings to continue as going concerns and to execute their growth strategies. There is a higher risk that they might fail or not realise their potential due to poor execution, competition or being unable to raise additional capital to fulfil their growth aspirations.

The Company's exit horizon for these investments is anticipated to be substantially longer than the later stage investments held in the Guernsey fund.

Although in the US there is an established multi-billion dollar secondary market for later stage private technology companies, this is an 'over the counter', privately negotiated 'matched bargain' arrangement without a price quote on a recognised investment exchange or a market maker providing liquidity. For earlier stage entities this private market is even more illiquid, with no guarantee that a transaction could be undertaken on a timely basis at or near fair value.

All the Company's investments are denominated in US dollars, so the Company's investment carrying values and realisations are exposed to movement in this exchange rate against UK pounds sterling in which currency it reports and incurs most of its overheads. The timing of investment exits is not under the Company's control and therefore it does not hedge this exposure.

STAR TECH NG LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial key performance indicators

The Board monitors the activities and performance of the Company on a regular basis. During the period to 31 December 2022, the key aspect monitored was the Company's working capital requirement, both its current cash balance against its financial commitments and forecast operating expenditure.

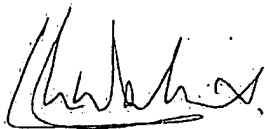
The loss for the year, after taxation, increased to £111,872 from a loss of £85,985 in the prior year. There were other comprehensive losses on its unrealised investment portfolio resulting in the company's total comprehensive income for the year being a loss of £108,554 (2021: income £17,410) which worsened its net asset position to £107,053 (2021: £215,607). Shareholder loans were increased to £342,761 (2021: £339,574) and its cash held at the end of the year reduced to £544 (2021: £25,622).

Directors' statement of compliance with duty to promote the success of the Company

The directors consider that as a closely-held unlisted company, with no trading activity nor employees, three shareholders who are all either a director or company secretary and who actively manage the investment activities and working capital requirements of the business, creditors who are almost exclusively related parties (see note 20 to these accounts) and working practices which minimise the company's physical footprint by embracing flexible and remote working they have adequately identified the key stakeholders and issues relevant to the long term success of the business.

The directors communicate frequently regarding investment decisions and, where necessary, meet in person to discuss these and other key strategic matters that would impact them as the shareholders in the business.

This report was approved by the board and signed on its behalf.



I Wallis
Director

Date: 22 September 2023

STAR TECH NG LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Principal activity

The principal activity of the Company is that of investment in high growth, mid- and late-stage, venture capital backed pre-IPO technology companies.

Results and dividends

The loss for the year, after taxation, amounted to £111,872 (2021 - loss £85,985).

The directors do not recommend payment of any dividends (2021: £nil).

Directors

The directors who served during the year were:

M Burne
I Wallis

Future developments

The company will continue to expand its areas of operation as resources permit.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficient action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower.

STAR TECHNOLOGICAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Matters covered in the Strategic report

Items required under Schedule 7 to be disclosed in the Director's report are set out in the strategic report in accordance with s.414C(11) CA 2006.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

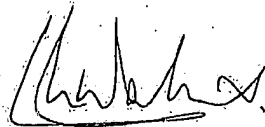
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



I Wallis
Director

Date: 22 September 2023

STAR TECH NG LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STAR TECH NG LIMITED

Opinion

We have audited the financial statements of Star Tech NG Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Comprehensive Income, the Analysis of Net Debt, and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STAR TECH NG LIMITED (CONTINUED)

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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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 Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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 is 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.

Auditors' 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 an Auditors' Report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STAR TECH NG LIMITED (CONTINUED)

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified the principal risks of non-compliance with laws and regulations related to anti-bribery and corporation tax compliance. We considered the extent to which non-compliance might have a material effect on the financial statements, and considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to increase profits or reclassify costs, management bias in accounting estimates and contingent liabilities including remedial provision. Audit procedures performed by the engagement team included:

- Discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Confirmation of related parties with management, and review of transactions during the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

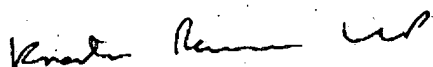
STAR TECH NG LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STAR TECH NG LIMITED (CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Stephen Tanner BSc (Econ) FCA (Senior Statutory Auditor)
for and on behalf of

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London

29 September 2023

STAR TECHNOLOGY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Administrative expenses		(62,070)	(67,593)
Operating loss	4	(62,070)	(67,593)
Impairment of joint venture investment		(49,802)	(1,915)
(Loss) on disposal of investments		-	(16,477)
Loss before tax		(111,872)	(85,985)
Loss for the financial year		(111,872)	(85,985)
Other comprehensive income for the year			
Unrealised (loss)/gain on investments		(44,952)	100,745
Unrealised foreign exchange gain/(loss) on investments		48,270	2,650
Other comprehensive income for the year		3,318	103,395
Total comprehensive income for the year		(108,554)	17,410

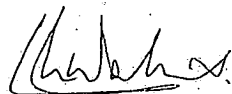
The notes on pages 15 to 22 form part of these financial statements.

STAR TECH NG LIMITED
REGISTERED NUMBER: 10163106

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	11	458,996	535,979
		<u>458,996</u>	<u>535,979</u>
Current assets			
Debtors: amounts falling due within one year	12	1,233	3,267
Current asset investments	13	2,006	-
Cash at bank and in hand	14	544	25,622
		<u>3,783</u>	<u>28,889</u>
Creditors: amounts falling due within one year	15	(355,726)	(349,261)
Net current liabilities		<u>(351,943)</u>	<u>(320,372)</u>
Total assets less current liabilities		<u>107,053</u>	<u>215,607</u>
Net assets		<u>107,053</u>	<u>215,607</u>
Capital and reserves			
Called up share capital	17	550,001	550,001
Profit and loss account	18	(442,948)	(334,394)
		<u>107,053</u>	<u>215,607</u>

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



I Wallis
Director

Date: 22 September 2023

The notes on pages 15 to 22 form part of these financial statements.

STAR TECH NG LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	550,001	(351,805)	198,196
Comprehensive income for the year			
Loss for the year	-	(85,985)	(85,985)
Unrealised gain on investments	-	100,745	100,745
Unrealised foreign exchange gain on investments	-	2,651	2,651
Total comprehensive income for the year	-	17,411	17,411
At 1 January 2022	550,001	(334,394)	215,607
Comprehensive income for the year			
Loss for the year	-	(111,872)	(111,872)
Unrealised loss on investments	-	(44,952)	(44,952)
Unrealised foreign exchange gain on investments	-	48,270	48,270
Total comprehensive income for the year	-	(108,554)	(108,554)
At 31 December 2022	550,001	(442,948)	107,053

The notes on pages 15 to 22 form part of these financial statements.

STAR TECH NG LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(111,872)	(85,985)
Adjustments for:		
Loss on disposal of tangible assets	-	16,698
Decrease in debtors	3,266	18,262
Increase/(decrease) in creditors	6,465	(142)
Impairment of joint venture investment	49,802	1,915
Foreign exchange movement	(4,902)	-
Net cash generated from operating activities	<u>(57,241)</u>	<u>(49,252)</u>
Cash flows from investing activities		
Purchase of unlisted and other investments	-	(52,626)
Sale of unlisted and other investments	37,163	183,674
Purchase of share in joint ventures	(5,000)	(10,000)
Net cash from investing activities	<u>32,163</u>	<u>121,048</u>
Cash flows from financing activities		
Loan (repaid) /received from shareholder	-	(49,517)
Net cash used in financing activities	<u>-</u>	<u>(49,517)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(25,078)</u>	<u>22,279</u>
Cash and cash equivalents at beginning of year	25,622	3,343
Cash and cash equivalents at the end of year	<u><u>544</u></u>	<u><u>25,622</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	544	25,622
	<u><u>544</u></u>	<u><u>25,622</u></u>

The notes on pages 15 to 22 form part of these financial statements.

STAR TECH NG LIMITED**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	25,622	(25,078)	544
Debt due within 1 year	1	(1)	-
	<u>25,623</u>	<u>(25,079)</u>	<u>544</u>

The notes on pages 15 to 22 form part of these financial statements.

STAR TECH NG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Star Tech NG Limited ("the Company") is a private company, limited by shares, incorporated and domiciled in England and Wales. The Company's registered office is 2nd Floor, 168 Shoreditch High Street, E1 6RA and it conducts its business from 3rd Floor, 80 Cheapside, London EC2V 6EE. The Company's principal activity is detailed on page 4.

2. Accounting policies

2.1 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Going concern

The company making a total comprehensive loss for the year of £108,554 (2021: profit £17,410) and having net current liabilities of £351,943 (2021: £320,372), the accounts have been prepared on a going concern basis. Included within creditors are shareholder loans of £342,761 (2021: £339,573) which are repayable after 7 years unless certain conditions are met as detailed in note 15. The Directors believe that one of these conditions will be met in the coming 12 months, hence the loans have been classified as less than one year in the accounts, and as a result the company will have sufficient funds to repay the loans.

In considering the above, the Directors have considered the effects of the recent pandemic and do not feel this affects their conclusion in regards of going concern.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Associates and joint ventures

Joint ventures are held at cost less impairment.

2.6 Financial instruments

The Company only 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Profit and loss account.

2.7 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling.

Transactions and balances

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 operates and generates income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and judgements underlying assumptions are reviewed on an ongoing basis.

3.1 Critical judgements in applying the entity's accounting policies

Going concern

In the judgement of the directors it is appropriate to prepare the financial statements in accordance with the going concern basis of accounting. See note 2.2 for further details.

4. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Exchange differences	(829)	-

5. Auditors' remuneration

During the year, the Company received services from the Company's auditors and their associates:

	2022 £	2021 £
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	6,800	6,600
Fees payable to the Company's auditors and their associates in respect of:		
Assistance with preparation of the financial statements	1,750	1,920
Corporation tax compliance	825	900

6. Employees

The Company has no employees. A director charges service fees through an entity controlled by him.

7. Directors' remuneration

	2022 £	2021 £
Directors' fees	36,000	36,000
	36,000	36,000

STAR TECH NG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(111,872)</u>	<u>(85,985)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(21,256)	(16,337)
Effects of:		
Unrelieved tax losses carried forward	<u>21,256</u>	<u>16,337</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Since 1 April 2017 there has been a single rate of corporation tax of 19% in place. From 1 April 2023, the main rate of corporation tax will rise to 25% for companies with profits over £250,000. For companies with profits of £50,000 or less, they will pay corporation tax at the small profits rate of 19%. Where a company's profits fall between £50,000 and £250,000, they will pay corporation tax at the main rate reduced by marginal relief. The upper and lower limits will be proportionally reduced for short accounting periods and where there are associated companies.

STAR TECH NG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Intangible assets

	Website development costs £
Cost	
At 1 January 2022	5,400
At 31 December 2022	5,400
Amortisation	
At 1 January 2022	5,400
At 31 December 2022	5,400
Net book value	
At 31 December 2022	-
At 31 December 2021	-

10. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2022	7,063
At 31 December 2022	7,063
Depreciation	
At 1 January 2022	7,063
At 31 December 2022	7,063
Net book value	
At 31 December 2022	-
At 31 December 2021	-

STAR TECH NG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Fixed asset investments

	Unlisted investments £	Investment in joint ventures £	Total £
Cost			
At 1 January 2022	491,177	140,000	631,177
Additions	-	5,000	5,000
Disposals	(37,163)	-	(37,163)
Foreign exchange movement	51,090	-	51,090
Revaluations	(23,789)	-	(23,789)
Transfer to current investments	(22,319)	-	(22,319)
At 31 December 2022	<u>458,996</u>	<u>145,000</u>	<u>603,996</u>
Impairment			
At 1 January 2022	-	95,198	95,198
Charge for the period	-	49,802	49,802
At 31 December 2022	<u>-</u>	<u>145,000</u>	<u>145,000</u>
Net book value			
At 31 December 2022	<u>458,996</u>	<u>-</u>	<u>458,996</u>
At 31 December 2021	<u>491,177</u>	<u>44,802</u>	<u>535,979</u>

During the year, the company provided second loan extension of £5,000 (2021: £10,000) to MVP Star Tech NG Asset Management Limited, the company's joint venture.

Joint venture

The following was a joint venture of the Company:

Name	Registered office	Holding
MVP Star Tech NG Asset Management Limited	Kingsway House, Havilland Street, St Peter Port, Guernsey, GY 1 2QE	50%

STAR TECH NG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Debtors

	2022 £	2021 £
Other debtors	1,232	-
Called up share capital not paid	1	1
Prepayments	-	3,266
	<u>1,233</u>	<u>3,267</u>

13. Current asset investments

	2022 £	2021 £
Listed investments	2,006	-
	<u>2,006</u>	<u>-</u>

14. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	544	25,622
	<u>544</u>	<u>25,622</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other creditors	343,306	339,841
Accruals and deferred income	12,420	9,420
	<u>355,726</u>	<u>349,261</u>

During the period a shareholder loaned £545 (2021: £269) to the Company. Under the terms of a loan agreement dated 20 February 2017, no interest is being charged. The loan is repayable in the event of the following:

- Ten years from the date of the agreement; or
- Upon conversion to ordinary share capital in the Company with the consent of the Lender; or
- An initial public offering of ordinary share capital in the Company; or
- A private placement of ordinary shares in the Company to new investors exceeding £1m; or
- The Company secures replacement debt financing no less than the Loan; or
- The Company sells assets for consideration exceeding the Loan.

STAR TECH NG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>458,995</u>	<u>470,090</u>

Financial assets measured at fair value through profit or loss comprise of fixed asset investments.

17. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
50,000 (2021 - 50,000) Founder shares of £1.00 each	50,000	50,000
500,001 (2021 - 500,001) Ordinary shares of £1.00 each	<u>500,001</u>	<u>500,001</u>
	<u>550,001</u>	<u>550,001</u>

Ordinary shares

The company's ordinary and founder shares, which carry no right to income, each carry the right to one vote at general company meetings. Each share is redeemable on takeover or winding up of the company.

18. Reserves

Share capital

This represents the nominal value of the shares that have been issued by the company.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of other adjustments.

19. Related party transactions

During the year Investment Dynamix Limited, a company controlled by one of the directors charged the company £36,000 (2021: £36,000), including £6,000 (2021: £3,000) of irrecoverable VAT, for director's fees, which were paid in full during the year. At the balance sheet date £nil (2021: £3,000) is included in 'Prepayments' in Note 12 to these accounts.

At the balance sheet date, the Company owed £342,761 (2021: £339,573) to Malcolm Bryne. The loan is included in Note 15 to these accounts as a shareholder loan due in the current year.

20. Controlling party

The Company is controlled by its directors by virtue of their shareholdings in the Company.