

Registered number: 10163106

Star Tech NG PLC

Annual report and financial statements

For the year ended 31 December 2020



Star Tech NG PLC

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 PLC

Contents

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditors' report	6 - 9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Statement of cash flows	13
Analysis of net debt	14
Notes to the financial statements	15 - 24

Star Tech NG PLC

Strategic report For the year ended 31 December 2020

Introduction

The directors present their report and the financial statements for the year ended 31 December 2020.

Business review

No review of 2020 can begin without first mentioning the extraordinary effects of the global COVID-19 virus pandemic. Many traditional 'bricks and mortar' businesses without a strong online presence, especially in the retail, hospitality, entertainment and travel sectors, or those reliant on travel, faced existential threats to their survival. Governments globally reacted with the largest peacetime monetary support packages ever seen.

In contrast, some technology businesses providing essential services or 'plumbing' for the internet, those pure e-commerce marketplaces, and e-tailers - or omnichannel retailers that could pivot online - thrived. Many 'white-collar' service businesses also rapidly adapted to lockdown and working from home directives, forcing increasing technology adoption.

The Company's investment in a portfolio of late-stage pre-IPO technology companies, through an authorised Class B Guernsey fund advised by its associate, was not immune to this. However, just before the pandemic struck in the West, in early March the fund had invested in the \$500m Series D round financing of Revolut. Its most iconic holding, Airbnb, prudently raised over US\$2 billion of new capital in April 2020 at the height of the first wave of the pandemic. The fact that it was able to do so is testament to the quality of the business and the investment strategy and stock picking criteria adopted by the Guernsey fund.

Unfortunately, the pandemic was not as kind to another of the fund's investments: Lime, the e-scooter and e-bike micro-mobility provider. Entering the crisis relatively short on cash and with the upheaval to its business due to lockdown/working-from-home directives the company was forced to undertake a deeply discounted 'down round' financing in June, which negatively impacted the fund's net asset value. Led by Uber the transaction included Lime acquiring Uber's own micro-mobility business, Jump. Since then, the business has turned a corner and was reportedly profitable in Q4 of 2020. It was recently selected as one of three providers to run a 12-month e-scooter trial in London. Many of its smaller peer group competitors have raised new finance in the last few months at valuations substantially more than Lime's last, so we believe there is good upside to the fund's current carrying value.

Remarkably, the US public markets had shrugged off the fears of the pandemic by the 2nd quarter of 2020 and embarked on a dizzying 'bull-run' for the remainder of 2020, responding to the generous tax breaks and unprecedented stimulus packages. With technology companies perceived as the clear winners of the situation the tech heavy NASDAQ Composite index had broken through its all-time high by mid-June. Against this backdrop, the US IPO market became 'red hot' for technology stocks with many large unicorns pressing the button to go public.

The fund's investment in the big data business Palantir became public after a direct listing on 30th September. The fund was able to realise 20% of its holding in November at a healthy profit.

In December Airbnb triggered its delayed IPO, going public on 10th December, quickly followed on 16th December by another of the fund's investments, Context Logic (Wish), the mobile commerce marketplace. On 31st December, the fund realised its investment in Postmates, the delivery platform, which had been acquired by Uber earlier in the year, realising a 3.77 times multiple over original cost.

The post-IPO performance of Airbnb in the short period from IPO (\$68.00 per share) to calendar year end (\$146.80 per share) largely compensated for the mark-down to Lime, the fund's price declining some 5% over the 2020 year in US dollar terms.

Mindful of its working capital position and liquidity needs during an unpredictable market and financing environment, in April the Company took steps to temporarily reduce overheads and discretionary expenditure. It raised additional shareholder loans for both working capital and investing purposes and in July redeemed \$50,000 of shares in its largest investment - the late-stage Guernsey fund.

Star Tech NG PLC

Strategic report (continued) For the year ended 31 December 2020

Business review (Continued)

The company continued to co-invest from its own balance sheet in the primary financing rounds of exciting earlier stage technology companies. Investments were made in Linear Labs, the developer of a game changing electric motor, and Vested, an SEC-registered wealth management investment platform enabling Indian investors to access US stocks and ETFs.

In October, the Company's portfolio company Boom Supersonic, rolled out a sub-scale proof of concept technology demonstrator for its planned 'son of Concorde' supersonic airliner, which is slated for launch in the mid-2020's. The technology demonstrator's first flight is due in 2021.

Principal risks and uncertainties

Loss in value of Investments Risk

Star Tech NG Plc 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 joint venture associate advises. The fund's concentrated portfolio is comprised of pre-IPO US technology companies at the mid- to late-stage growth phase of private primary funding - Series D and beyond. The fund purchases in the private secondary market from earlier stage investors.

These are market leading, often iconic names with substantial, often multi-billion US dollar, private market values and substantial revenues with a clear pathway to profitability in the medium term. All have 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.

During the year several companies within this portfolio graduated to public markets providing the fund, and indirectly the Company, with 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 has an increasing 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.

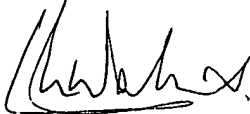
Star Tech NG PLC

Strategic report (continued)
For the year ended 31 December 2020

Financial key performance indicators

The Board monitors the activities and performance of the Company on a regular basis. During the period to 31 December 2020, the key aspect monitored was the Company's working capital requirement, both its current cash balance against its financial commitments and forecast operating expenditure.

This report was approved by the board on 18 June 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'I Wallis', is written over a horizontal line.

I Wallis
Director

Star Tech NG PLC

Directors' report For the year ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

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 £119,228 (2019 - loss £138,470).

The directors do not recommend payment of any dividends (2019: £nil).

Directors

The directors who served during the year were:

M Burne
I Wallis

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.

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 Tech NG PLC

Directors' report (continued)
For the year ended 31 December 2020

Disclosure of information to auditors

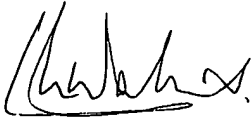
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 18 June 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'I Wallis', is written over a horizontal line.

I Wallis
Director

Star Tech NG PLC

Independent auditors' report to the members of Star Tech NG PLC

Opinion

We have audited the financial statements of Star Tech NG PLC (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity 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 2020 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 PLC (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.

Independent auditors' report to the members of Star Tech NG PLC (continued)

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.

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 that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also 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 especially bad debt provision and contingent liabilities including remedial provision. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessment of identified fraud risk factors; and
- Confirmation of related parties with management, and review of transactions throughout 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.

Independent auditors' report to the members of Star Tech NG PLC (continued)

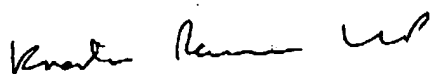
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.

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

21 June 2021

Star Tech NG PLC

**Statement of comprehensive income
For the year ended 31 December 2020**

	Note	2020 £	2019 £
Turnover	4	-	30,000
Administrative expenses		(99,269)	(164,020)
Operating loss	5	(99,269)	(134,020)
Share of loss from joint venture		(6,896)	(23,366)
(Loss) / Profit on disposal of investments		(13,063)	(14,425)
Loss before tax		(119,228)	(171,811)
Tax on loss		-	33,341
Loss for the financial year		(119,228)	(138,470)
Other comprehensive income for the year			
Unrealised (loss) / gain on available for sale financial assets		(19,132)	25,382
Unrealised foreign exchange (loss) / gain on available for sale financial assets		(17,877)	(23,698)
Total comprehensive income for the year		(156,237)	(136,786)

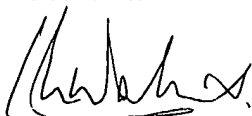
The notes on pages 15 to 24 form part of these financial statements.

Star Tech NG PLC
Registered number: 10163106

Balance sheet
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	12	<u>569,729</u>	<u>611,796</u>
		569,729	611,796
Current assets			
Debtors: amounts falling due within one year	13	21,529	11,717
Current asset investments	14	2,515	2,165
Cash at bank and in hand	15	<u>3,343</u>	<u>44,820</u>
		27,387	58,702
Creditors: amounts falling due within one year	16	<u>(398,920)</u>	<u>(316,065)</u>
Net current liabilities		(371,533)	(257,363)
Net assets		<u>198,196</u>	<u>354,433</u>
Capital and reserves			
Called up share capital	18	550,001	550,001
Profit and loss account	19	<u>(351,805)</u>	<u>(195,568)</u>
		<u>198,196</u>	<u>354,433</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 June 2021.



I Wallis
Director

The notes on pages 15 to 24 form part of these financial statements.

Star Tech NG PLC

**Statement of changes in equity
For the year ended 31 December 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	550,001	(58,782)	491,219
Comprehensive income for the year			
Loss for the year	-	(138,470)	(138,470)
Unrealised gain on investments	-	25,382	25,382
Unrealised foreign exchange loss on investment	-	(23,698)	(23,698)
Total comprehensive income for the year	-	(136,786)	(136,786)
At 1 January 2020	550,001	(195,568)	354,433
Comprehensive income for the year			
Loss for the year	-	(119,228)	(119,228)
Unrealised loss on investments	-	(19,132)	(19,132)
Unrealised foreign exchange loss on investments	-	(17,877)	(17,877)
Total comprehensive loss for the year	-	(156,237)	(156,237)
At 31 December 2020	550,001	(351,805)	198,196

The notes on pages 15 to 24 form part of these financial statements.

Star Tech NG PLC

Statement of cash flows
For the year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(119,228)	(138,470)
Adjustments for:		
Amortisation of intangible assets	-	658
Depreciation of tangible assets	-	2,251
Investment management charges paid upfront	-	3,101
Loss on disposal of tangible assets	13,062	14,425
Taxation charge	-	(33,341)
(Increase)/decrease in debtors	(9,812)	6,000
(Decrease) in creditors	(6,503)	(2,222)
Share of loss from joint venture	6,896	23,366
Foreign exchange	-	5,501
Net cash generated from operating activities	(115,585)	(118,731)
Cash flows from investing activities		
Purchase of unlisted investments	(37,423)	(74,877)
Sale of unlisted investments	37,173	81,113
Sale of short term unlisted investments	-	73,522
Loans to the joint ventures	(15,000)	(45,000)
Net cash from investing activities	(15,250)	34,758
Cash flows from financing activities		
Loan received from shareholder	89,358	50,000
Net cash used in financing activities	89,358	50,000
Net (decrease) in cash and cash equivalents	(41,477)	(33,973)
Cash and cash equivalents at beginning of year	44,820	78,793
Cash and cash equivalents at the end of year	3,343	44,820
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,343	44,820
	3,343	44,820

The notes on pages 15 to 24 form part of these financial statements.

Star Tech NG PLC

**Analysis of Net Debt
For the year ended 31 December 2020**

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	44,820	(41,477)	3,343
Debt due within 1 year	(300,000)	(89,358)	(389,358)
	(255,180)	(130,835)	(386,015)

The notes on pages 15 to 24 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2020

1. General information

Star Tech NG PLC ("the Company") is a public 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 1.

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

Despite the company making a total comprehensive loss for the year of £156,237 (2019: £136,786) and having net current liabilities of £371,533 (2019: £257,363), the accounts have been prepared on a going concern basis. Included within creditors are shareholder loans of £389,358 (2019: £300,000) which are repayable after 7 years unless certain conditions are met as detailed in note 16. 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. A letter of support has been provided from a shareholder to confirm they will continue to provide financial support to the company for a period of at least 12 months from the date of approval of the financial statements.

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.

**Notes to the financial statements
For the year ended 31 December 2020**

2. Accounting policies (continued)

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.

2.5 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.

Notes to the financial statements
For the year ended 31 December 2020

2. Accounting policies (continued)

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.

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 accounting estimates and assumptions

Valuation of financial assets held at fair value through profit and loss

The company's unlisted investments held for trading are recognised as financial assets held at fair value through profit and loss. The valuation was made by directors using their knowledge of the market and information available after the balance sheet date in order to assess the estimated amount for which the asset should exchange between a willing buyer and a willing seller in an arm's length transaction and where the parties had acted knowledgeably, prudently and without compulsion.

3.2 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.

Star Tech NG PLC

Notes to the financial statements For the year ended 31 December 2020

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Consulting income	-	30,000
	<u>-</u>	<u>30,000</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	-	30,000
	<u>-</u>	<u>30,000</u>

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Exchange differences	325	5,501
	<u>325</u>	<u>5,501</u>

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	6,510	5,652
	<u>6,510</u>	<u>5,652</u>

Fees payable to the Company's auditor and its associates in respect of:

	2020 £	2019 £
Taxation compliance services	870	942
All other services	1,860	2,962
	<u>2,730</u>	<u>3,904</u>

7. Employees

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

Notes to the financial statements
For the year ended 31 December 2020

8. Directors' remuneration

	2020 £	2019 £
Directors' fees	<u>39,000</u>	<u>72,000</u>

9. Taxation

There is no corporation tax charge for the company this year (2019: £nil).

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	<u>-</u>	<u>(33,341)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(119,228)</u>	<u>(171,811)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<u>(22,653)</u>	<u>(32,644)</u>
Effects of:		
Non-tax deductible amortisation of intangible asset	-	125
Capital allowances for year in excess of depreciation	-	428
Utilisation of tax losses	-	(1,342)
Utilisation of management expenses	-	(4,358)
Special factors affecting joint-ventures and associates leading to an increase in the tax charge	-	4,440
Unrelieved tax losses carried forward	<u>22,653</u>	<u>33,351</u>
Deferred tax charge	<u>-</u>	<u>(33,341)</u>
Total tax charge for the year	<u><u>-</u></u>	<u><u>(33,341)</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 PLC

**Notes to the financial statements
For the year ended 31 December 2020**

10. Intangible assets

	Website development costs £
Cost	
At 1 January 2020	5,400
At 31 December 2020	<u>5,400</u>
Amortisation	
At 1 January 2020	5,400
At 31 December 2020	<u>5,400</u>
Net book value	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

11. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2020	7,063
At 31 December 2020	<u>7,063</u>
Depreciation	
At 1 January 2020	7,063
At 31 December 2020	<u>7,063</u>
Net book value	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

Notes to the financial statements
For the year ended 31 December 2020

12. Fixed asset investments

	Unlisted investments £	Investment in joint ventures £	Total £
Cost			
At 1 January 2020	583,184	115,000	698,184
Additions	37,423	15,000	52,423
Disposals	(37,173)	-	(37,173)
Foreign exchange movement - Sold	(3,252)	-	(3,252)
Foreign exchange movement - Held	(15,150)	-	(15,150)
Revaluations	(32,019)	-	(32,019)
At 31 December 2020	<u>533,013</u>	<u>130,000</u>	<u>663,013</u>
Impairment			
At 1 January 2020	-	86,388	86,388
Charge for the period	-	6,896	6,896
At 31 December 2020	<u>-</u>	<u>93,284</u>	<u>93,284</u>
Net book value			
At 31 December 2020	<u>533,013</u>	<u>36,716</u>	<u>569,729</u>
At 31 December 2019	<u>583,184</u>	<u>28,612</u>	<u>611,796</u>

During the year, the company provided second loan extension of £15,000 (2019: £45,000) to MVP Star Tech NG Asset Management Limited, the company's joint venture. First loan due to the company is £65,000 (2019 : £65,000).

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, GY1 2QE	50%

Notes to the financial statements
For the year ended 31 December 2020

13. Debtors

	2020 £	2019 £
Other debtors	18,297	11,716
Called up share capital not paid	1	1
Prepayments	3,231	-
	<u>21,529</u>	<u>11,717</u>

14. Current asset investments

	2020 £	2019 £
Listed investments	2,515	2,165
	<u>2,515</u>	<u>2,165</u>

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	3,343	44,820
	<u>3,343</u>	<u>44,820</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other creditors	389,358	300,000
Accruals and deferred income	9,562	16,065
	<u>398,920</u>	<u>316,065</u>

During the period a shareholder loaned £89,358 (2019: £50,000) 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 a consideration exceeding the Loan.

Star Tech NG PLC

Notes to the financial statements For the year ended 31 December 2020

17. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	394,107	476,059
Financial assets that are debt instruments measured at amortised cost	18,298	11,717
	<u>412,405</u>	<u>487,776</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(398,920)	(316,065)

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

Financial liabilities measured at amortised cost comprise shareholder loans, trade and other creditors and accruals.

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
50,000 (2019 - 50,000) Founder shares of £1.00 each	50,000	50,000
500,001 (2019 - 500,001) Ordinary shares of £1.00 each	500,001	500,001
	<u>550,001</u>	<u>550,001</u>

Ordinary shares

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

The company's founder shares, which carry no right to income, each carry the right to one vote at general meetings of the company. These shares are redeemable on a takeover or winding up of the company.

19. 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.

**Notes to the financial statements
For the year ended 31 December 2020**

20. Related party transactions

During the year Investment Dynamix Limited, a company controlled by one of the directors charged the company £42,000 (2019: £72,000), including £7,000 (2019: £12,000) of irrecoverable VAT, for director's fees, which were paid in full during the year. At the balance sheet date £3,000 (2019: £nil) is included in 'Prepayments' in Note 13 to these accounts.

On 13th March 2020 the Company received a new interest free loan of £25,000 from White Knight Investments Ltd ("WKI"), a company wholly owned and controlled by a director and shareholder. The terms of this loan replicated the terms of a loan advanced by WKI in 2017, which was fully repaid in 2018. At the balance sheet date the balance owed by the Company to WKI was £25,000 (2019: £nil).

During the year a shareholder loaned £64,358 to the Company to increase the balance advanced under the terms of a loan agreement dated 20 February 2017 to £364,358 (2019: £300,000). The loan is included in Note 16 to these accounts as a shareholder loan due in the current year.

21. Controlling party

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

Star Tech NG PLC

**Detailed profit and loss account
For the year ended 31 December 2020**

	2020 £	2019 £
Turnover	-	30,000
Less: overheads		
Administration expenses	<u>(99,269)</u>	<u>(164,020)</u>
Operating loss	<u>(99,269)</u>	<u>(134,020)</u>
Investment income	<u>(19,959)</u>	<u>(37,791)</u>
Loss for the year	<u><u>(119,228)</u></u>	<u><u>(171,811)</u></u>

Star Tech NG PLC

**Schedule to the detailed accounts
For the year ended 31 December 2020**

	2020	2019
	£	£
Turnover		
Sales	-	30,000
	<u>-</u>	<u>30,000</u>
	<u><u>-</u></u>	<u><u>30,000</u></u>
	2020	2019
	£	£
Administration expenses		
Sums paid to 3rd parties for directors services	39,000	72,000
Entertainment	13	-
Hotels, travel and subsistence	8,315	10,925
Printing and stationery	915	815
Postage	-	61
Telephone and fax	46	-
Computer costs	822	1,429
Advertising and promotion	13,500	49,053
Trade subscriptions	14,936	14,570
Legal and professional	136	113
Auditors' remuneration	6,510	5,652
Auditors' remuneration - non-audit	2,730	3,887
Bank charges	142	111
Bad debts	11,716	-
Difference on foreign exchange	325	5,501
Sundry expenses	163	(6,107)
Depreciation - plant and machinery	-	2,251
Amortisation - intangible fixed assets	-	658
Investment management charges	-	3,101
	<u>99,269</u>	<u>164,020</u>
	<u><u>99,269</u></u>	<u><u>164,020</u></u>
	2020	2019
	£	£
Investment income		
Income from other participating interests	(6,896)	(23,366)
Profit/loss on disposal of unlisted investments	(13,063)	(14,425)
	<u>(19,959)</u>	<u>(37,791)</u>
	<u><u>(19,959)</u></u>	<u><u>(37,791)</u></u>