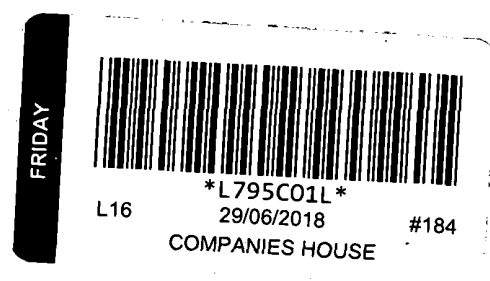


**Registered number: 10163106**

**Star Tech NG PLC**

**Annual report and financial statements**

**For the year ended 31 December 2017**



**Star Tech NG PLC**

**Company Information**

|                             |   |
|-----------------------------|---|
| <b>Directors</b>            | M Burne<br>I Wallis   |
| <b>Company secretary</b>    | V Oswaldova   |
| <b>Registered number</b>    | 10163106  |
| <b>Registered office</b>    | Third Floor<br>24 Chiswell Street<br>London<br>EC1Y 4YX   |
| <b>Independent auditors</b> | Kreston Reeves LLP<br>Statutory Auditors & Chartered Accountants<br>Third Floor<br>24 Chiswell Street<br>London<br>EC1Y 4YX |

## **Star Tech NG PLC**

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## Star Tech NG PLC

### Strategic report For the year ended 31 December 2017

#### Introduction

The directors present their report and the financial statements for the year ended 31 December 2017.

#### Business review

The company widened its network of relationships of US dealing platforms and investment banks that facilitate secondary share transactions in large cap private technology companies – so called 'soonicones', unicorns and decacorns.

It invested over \$750,000 of its own equity capital during the period through 4 market access points, in 3 differing indirect structures and one direct investment to assemble an underlying portfolio of 15 investments in pre-IPO private technology companies.

On 28th April one of our portfolio companies, Cloudera Inc., went public through an initial public offering on the New York Stock Exchange. The Company's shares in Cloudera, Inc. were subject to a 'lock-up' agreement but became freely tradable on 25th October and the company obtained clear possession from the investment vehicle on 31st October. The shares are held in current assets for trading.

During the year several of the Company's underlying portfolio investments undertook additional primary equity capital financing rounds, or similar 'events', at premiums or 'uprounds' to the company's acquisition cost, allowing the directors to increase the unrealised carrying value of these investments by £125,895 (2016: £nil) at constant US dollar currency rates. Against this the overall investment portfolio suffered from adverse currency movements resulting in an unrealised foreign exchange loss on conversion at the balance sheet date of £62,762 (2016: £nil).

The Company established a Guernsey subsidiary on 15th November and entered into a 50:50 equity joint venture on 4th December with a subsidiary of Manhattan Venture Holdings LLC (trading as Manhattan Venture Partners, ("MVP")), a US merchant bank focused exclusively on institutional quality direct secondary market transactions in venture capital backed private tech companies. MVP's principals were pioneers of direct secondary investing and sell-side equity research in pre-IPO technology companies.

The joint venture, MVP Star Tech NG Asset Management Limited, has been established with a view to obtaining a regulatory license to operate as an investment adviser/manager to and promoter of specialist alternative funds in order to provide research based expert market access, in the heavily relationship driven, pre-IPO technology asset class, to a wider pool of capital.

#### Principal risks and uncertainties

##### Loss in value of Investments Risk

The Company invests passively in minority positions, either directly or indirectly, in private technology companies, mainly based in the US, and does not exert control or influence over its investments. Although in the US there is an established secondary or grey market in these companies this is an 'over the counter' or 'matched bargain' arrangement without a price quote on a recognised investment exchange or a market maker providing liquidity.

Consequently before a liquidity event, such as where an investee company is acquired by a trade buyer or an initial public offering occurs, there is no guarantee that the Company can realise its investments on a timely basis in the secondary market, which would be subject to private market demand.

The price paid by the Company for its investments is negotiated with the seller through licensed broker dealers. Private companies in the US are under no obligation to share financial information with potential investors or shareholders and the availability of reliable financial information on potential investments or its existing investments is limited. The Company's directors, who are experienced venture and private equity investors, rely on data rooms, where provided, or specialist research reports, where available, and publicly available information to inform their investment decisions.

**Star Tech NG PLC**

**Strategic report (continued)**  
**For the year ended 31 December 2017**

**Financial key performance indicators**

The Board monitors the activities and performance of the Company on a regular basis. During the period to 31 December 2017, 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 26TH JUNE 2018 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'I Wallis', with a horizontal line drawn underneath the signature.

**I Wallis**  
Director

## **Star Tech NG PLC**

### **Directors' report For the year ended 31 December 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

#### **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 £184,208 (2016: loss £56,585).

The directors do not recommend payment of any dividends (2016: £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 is actively investigating the establishment of a regulated investment fund to be managed by a newly incorporated subsidiary or related entity and believes that this will be highly attractive to potential investors.

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

**Star Tech NG PLC**

**Directors' report (continued)**  
**For the year ended 31 December 2017**

**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 26<sup>TH</sup> JUNE 2018 and signed on its behalf.



**I Wallis**  
Director

## **Star Tech NG PLC**

### **Independent auditors' report to the shareholders 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 2017, 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 2017 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.

#### **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.

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

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

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.



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

**Other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the 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 on page 3, 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 shareholders 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.

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.



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

**Kreston Reeves LLP**

Statutory Auditors & Chartered Accountants  
London

Date: 27<sup>th</sup> June, 2018

**Star Tech NG PLC**

**Statement of comprehensive income  
For the year ended 31 December 2017**

|   | Note | 2017<br>£        | 2016<br>£       |
|---|------|------------------|-----------------|
| Turnover  |      | -                | -               |
| Administrative expenses   |      | (170,142)        | (56,585)        |
| <b>Operating loss</b>   | 4    | <b>(170,142)</b> | <b>(56,585)</b> |
| Interest receivable and similar income                                  | 8    | 11               | -               |
| <b>Loss before tax</b>  |      | <b>(170,131)</b> | <b>(56,585)</b> |
| Tax on loss   | 18   | (14,077)         | -               |
| <b>Loss for the financial year</b>                                      |      | <b>(184,208)</b> | <b>(56,585)</b> |
| <b>Other comprehensive income for the year</b>                          |      |                  |                 |
| Unrealised gains on available for sale financial assets                 |      | 125,895          | -               |
| Unrealised foreign exchange loss on available for sale financial assets |      | (62,762)         | -               |
| <b>Other comprehensive income for the year</b>                          |      | <b>63,133</b>    | <b>-</b>        |
| <b>Total comprehensive loss for the year</b>                            |      | <b>(121,075)</b> | <b>(56,585)</b> |

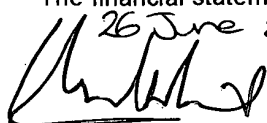
The notes on pages 12 to 23 form part of these financial statements.

**Star Tech NG PLC**  
**Registered number: 10163106**

**Balance sheet**  
**As at 31 December 2017**

|  | Note  | 2017<br>£             | 2016<br>£             |
|--|-------|-----------------------|-----------------------|
| <b>Fixed assets</b>                            |       |                       |                       |
| Intangible assets                              | 10    | 3,358                 | 1,800                 |
| Tangible assets                                | 11    | 4,606                 | 6,960                 |
| Investments                                    | 12    | 659,725               | -                     |
|  |       | <u>667,689</u>        | <u>8,760</u>          |
| <b>Current assets</b>                          |       |                       |                       |
| Debtors: amounts falling due within one year   | 13    | 14,933                | 411,466               |
| Current asset investments                      | 14    | 3,022                 | -                     |
| Cash at bank and in hand                       | 15    | 49,061                | 108,203               |
|  |       | <u>67,016</u>         | <u>519,669</u>        |
| Creditors: amounts falling due within one year | 16    | (348,287)             | (35,013)              |
| <b>Net current (liabilities)/assets</b>        |       | <u>(281,271)</u>      | <u>484,656</u>        |
| <b>Provisions for liabilities</b>              |       |                       |                       |
| Deferred tax                                   |       | (14,077)              | -                     |
|  |       | <u>(14,077)</u>       | <u>-</u>              |
| <b>Net assets</b>                              |       | <u><u>372,341</u></u> | <u><u>493,416</u></u> |
| <b>Capital and reserves</b>                    |       |                       |                       |
| Called up share capital                        | 19,20 | 550,001               | 550,001               |
| Profit and loss account                        | 20    | (177,660)             | (56,585)              |
|  |       | <u><u>372,341</u></u> | <u><u>493,416</u></u> |

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

26 June 2018  


**I Wallis**  
Director

The notes on pages 12 to 23 form part of these financial statements.

**Star Tech NG PLC**

**Statement of changes in equity  
For the year ended 31 December 2017**

|   | <b>Called up<br/>share<br/>capital<br/>£</b> | <b>Profit and<br/>loss<br/>account<br/>£</b> | <b>Total equity<br/>£</b> |
|---|--|--|---------------------------|
| <b>At 1 May 2016</b>                            | -  | -  | -                         |
| Loss for the period                             | -  | (56,585)                                     | (56,585)                  |
| Shares issued during the period                 | 550,001                                      | -  | 550,001                   |
| <b>At 1 January 2017</b>                        | <b>550,001</b>                               | <b>(56,585)</b>                              | <b>493,416</b>            |
| Loss for the year                               | -  | (184,208)                                    | (184,208)                 |
| Unrealised gain on investments                  | -  | 125,895                                      | 125,895                   |
| Unrealised foreign exchange loss on investments | -  | (62,762)                                     | (62,762)                  |
| <b>Other comprehensive income for the year</b>  | <b>-</b>                                     | <b>63,133</b>                                | <b>63,133</b>             |
| <b>Total comprehensive loss for the year</b>    | <b>-</b>                                     | <b>(121,075)</b>                             | <b>(121,075)</b>          |
| <b>At 31 December 2017</b>                      | <b>550,001</b>                               | <b>(177,660)</b>                             | <b>372,341</b>            |

The notes on pages 12 to 23 form part of these financial statements.

**Star Tech NG PLC**

**Statement of cash flows**  
**For the year ended 31 December 2017**

|   | 2017<br>£        | 2016<br>£        |
|---|------------------|------------------|
| <b>Cash flows from operating activities</b>                   |                  |                  |
| Loss for the financial year                                   | (184,208)        | (56,585)         |
| <b>Adjustments for:</b>                                       |                  |                  |
| Amortisation of intangible assets                             | 2,042            | -                |
| Depreciation of tangible assets                               | 2,354            | 103              |
| Interest received   | (11)             | -                |
| Taxation charge   | 14,077           | -                |
| Decrease/(increase) in debtors                                | 396,533          | (411,465)        |
| Increase in creditors   | 313,274          | 35,013           |
| <b>Net cash generated from operating activities</b>           | <b>544,061</b>   | <b>(432,934)</b> |
| <b>Cash flows from investing activities</b>                   |                  |                  |
| Purchase of intangible fixed assets                           | (3,600)          | (1,800)          |
| Purchase of tangible fixed assets                             | -                | (7,063)          |
| Purchase of unlisted and other investments                    | (591,592)        | -                |
| Purchase of short term unlisted investments                   | (3,022)          | -                |
| Purchase of share in joint ventures                           | (5,000)          | -                |
| Interest received   | 11               | -                |
| <b>Net cash from investing activities</b>                     | <b>(603,203)</b> | <b>(8,863)</b>   |
| <b>Cash flows from financing activities</b>                   |                  |                  |
| Issue of ordinary shares                                      | -                | 550,000          |
| <b>Net cash used in financing activities</b>                  | <b>-</b>         | <b>550,000</b>   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(59,142)</b>  | <b>108,203</b>   |
| Cash and cash equivalents at beginning of year                | 108,203          | -                |
| <b>Cash and cash equivalents at the end of year</b>           | <b>49,061</b>    | <b>108,203</b>   |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                  |                  |
| Cash at bank and in hand                                      | 49,061           | 108,203          |

The notes on pages 12 to 23 form part of these financial statements.

## **Star Tech NG PLC**

### **Notes to the financial statements For the year ended 31 December 2017**

#### **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 Third Floor, 24 Chiswell Street, London, EC1Y 4YX and it conducts its business from Third Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD. 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 Associates and joint ventures**

Associates and joint ventures are held at cost less impairment.

##### **2.3 Going concern**

Despite the company reporting a total comprehensive loss for the year of £121,075 (2016: £56,585) and the company being in a net current liabilities position of £281,271 (2016: net current assets of £484,656), the accounts have been prepared on a going concern basis. Included within creditors are shareholder loans of £330,000 (2016: £5,000) which are repayable after 10 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.

##### **2.4 Intangible assets**

Website development costs to date have been capitalised at cost as the website is expected to bring future economic benefit to the company. After recognition, under the cost model, they are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is charged from the point that the asset to which the costs relate is ready for use.

The estimated useful lives range as follows:

Website development costs                      -                      2        years straight line

##### **2.5 Tangible fixed assets and depreciation**

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

Notes to the financial statements  
For the year ended 31 December 2017

**2. Accounting policies (continued)**

**2.5 Tangible fixed assets and depreciation (continued)**

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

Depreciation is provided on the following basis:

|                    |   |                          |
|--------------------|---|--------------------------|
| Computer equipment | - | 33% straight line method |
|--------------------|---|--------------------------|

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

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

**2.6 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.

**2.7 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 non-puttable ordinary shares.

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

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



**Notes to the financial statements  
For the year ended 31 December 2017**

**2. Accounting policies (continued)**

**2.8 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 the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.9 Interest income**

- Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.10 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

- Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**Notes to the financial statements**  
**For the year ended 31 December 2017**

**2. Accounting policies (continued)**

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

*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.

**4. Operating loss**

The operating loss is stated after charging:

|  | 2017              | 2016              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Depreciation of tangible fixed assets  | 2,354             | 103               |
| Amortisation of intangible assets, including goodwill  | 2,042             | -                 |
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | 7,200             | 6,000             |
| Exchange differences   | -                 | (1,540)           |
|  | <u>          </u> | <u>          </u> |

**Star Tech NG PLC**

**Notes to the financial statements  
For the year ended 31 December 2017**

**5. Auditors' remuneration**

|   | 2017<br>£    | 2016<br>£    |
|---|--------------|--------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | <u>7,200</u> | <u>6,000</u> |
| <b>Fees payable to the Company's auditor and its associates in respect of:</b>                                      |              |              |
| Taxation compliance services  | 1,260        | 1,200        |
| All other services  | <u>3,720</u> | <u>3,600</u> |
|   | <u>4,980</u> | <u>4,800</u> |

**6. Employees**

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

**7. Directors' remuneration**

|                 | 2017<br>£     | 2016<br>£     |
|-----------------|---------------|---------------|
| Directors' fees | <u>72,000</u> | <u>38,000</u> |

**8. Interest receivable**

|                           | 2017<br>£ | 2016<br>£ |
|---------------------------|-----------|-----------|
| Other interest receivable | <u>11</u> | <u>-</u>  |
|                           | <u>11</u> | <u>-</u>  |

**Notes to the financial statements**  
**For the year ended 31 December 2017**

**9. Taxation**

**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

|   | 2017<br>£        | 2016<br>£       |
|---|------------------|-----------------|
| Loss on ordinary activities before tax  | <u>(170,131)</u> | <u>(56,585)</u> |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%) | <b>(32,750)</b>  | <b>(11,317)</b> |
| <b>Effects of:</b>  |                  |                 |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                   | <b>846</b>       | <b>69</b>       |
| Capital allowances for year/period in excess of depreciation  | -                | <b>(1,392)</b>  |
| Unrelieved tax losses carried forward   | <b>31,904</b>    | <b>12,640</b>   |
| <b>Total tax charge for the year/period</b>   | <u>-</u>         | <u>-</u>        |

**Factors that may affect future tax charges**

The rate of corporation tax is expected to fall to 17% in April 2020.

**Star Tech NG PLC**

**Notes to the financial statements  
For the year ended 31 December 2017**

**10. Intangible assets**

|                       | <b>Patents<br/>£</b> |
|-----------------------|----------------------|
| <b>Cost</b>           |                      |
| At 1 January 2017     | 1,800                |
| Additions             | 3,600                |
| At 31 December 2017   | <u>5,400</u>         |
| <b>Amortisation</b>   |                      |
| At 1 January 2017     | -                    |
| Charge for the year   | 2,042                |
| At 31 December 2017   | <u>2,042</u>         |
| <b>Net book value</b> |                      |
| At 31 December 2017   | <u>3,358</u>         |
| At 31 December 2016   | <u>1,800</u>         |

**11. Tangible fixed assets**

|   | <b>Computer<br/>equipment<br/>£</b> |
|---|-------------------------------------|
| <b>Cost</b>                               |                                     |
| At 1 January 2017 and at 31 December 2017 | 7,063                               |
| <b>Depreciation</b>                       |                                     |
| At 1 January 2017                         | 103                                 |
| Charge for the year on owned assets       | 2,354                               |
| At 31 December 2017                       | <u>2,457</u>                        |
| <b>Net book value</b>                     |                                     |
| At 31 December 2017                       | <u>4,606</u>                        |
| At 31 December 2016                       | <u>6,960</u>                        |

**Star Tech NG PLC**

**Notes to the financial statements  
For the year ended 31 December 2017**

**12. Fixed asset investments**

|                           | <b>Unlisted<br/>investments<br/>£</b> | <b>Investment<br/>in joint<br/>ventures<br/>£</b> | <b>Total<br/>£</b> |
|---------------------------|---------------------------------------|---|--------------------|
| <b>Cost</b>               |                                       |   |                    |
| At 1 January 2017         | -                                     | -   | -                  |
| Additions                 | 591,592                               | 5,000   | 596,592            |
| Foreign exchange movement | (62,762)                              | -   | (62,762)           |
| Revaluations              | 125,895                               | -   | 125,895            |
| At 31 December 2017       | <u>654,725</u>                        | <u>5,000</u>                                      | <u>659,725</u>     |
| <b>Net book value</b>     |                                       |   |                    |
| At 31 December 2017       | <u>654,725</u>                        | <u>5,000</u>                                      | <u>659,725</u>     |
| At 31 December 2016       | <u>-</u>                              | <u>-</u>  | <u>-</u>           |

**Participating interests**

**Joint ventures**

| <b>Name</b>                               | <b>Country of<br/>incorporation</b> | <b>Class of shares</b> | <b>Holding</b> |
|---|-------------------------------------|------------------------|----------------|
| MVP Star Tech NG Asset Management Limited | Guernsey                            | Ordinary               | 50%            |

**Star Tech NG PLC**

**Notes to the financial statements  
For the year ended 31 December 2017**

**13. Debtors**

|                                  | 2017<br>£     | 2016<br>£      |
|----------------------------------|---------------|----------------|
| Trade debtors                    | 8,932         | -              |
| Other debtors                    | -             | 405,465        |
| Called up share capital not paid | 1             | 1              |
| Prepayments                      | 6,000         | 6,000          |
|                                  | <u>14,933</u> | <u>411,466</u> |

**14. Current asset investments**

|                      | 2017<br>£    | 2016<br>£ |
|----------------------|--------------|-----------|
| Unlisted investments | <u>3,022</u> | <u>-</u>  |

**15. Cash and cash equivalents**

|                          | 2017<br>£     | 2016<br>£      |
|--------------------------|---------------|----------------|
| Cash at bank and in hand | <u>49,061</u> | <u>108,203</u> |

## Star Tech NG PLC

### Notes to the financial statements For the year ended 31 December 2017

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

|                              | 2017<br>£      | 2016<br>£     |
|------------------------------|----------------|---------------|
| Trade creditors              | 6,107          | 18,663        |
| Shareholder loan             | 330,000        | 5,000         |
| Accruals and deferred income | 12,180         | 11,350        |
|                              | <u>348,287</u> | <u>35,013</u> |

During the period a shareholder loaned £125,000 (2016: £5,000) to the Company. Under the terms of a loan agreement dated 20 February 2017 no interest is being charged and the maximum amount of the loan available to the Company is £250,000. 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.

During the period White Knight Investments Limited, a company under common control of one the Company's shareholders, loaned £200,000 (2016: £nil) to the Company. Under the terms of a loan agreement dated 19 April 2017 no interest is being charged. The loan is repayable in the event of the following:

- Ten years from the date of this 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 aggregate sum of the Loan and the amount outstanding under the unsecured loan agreement above between the Company and one of its shareholders dated 20th February 2017; or
- The Company sells assets for a consideration exceeding the aggregate sum of the Loan and the amount outstanding under the unsecured loan agreement above between the Company and one of its shareholders dated 20th February 2017.



**Star Tech NG PLC**

**Notes to the financial statements  
For the year ended 31 December 2017**

**17. Financial instruments**

|   | 2017<br>£        | 2016<br>£       |
|---|------------------|-----------------|
| <b>Financial assets</b>   |                  |                 |
| Financial assets measured at fair value through profit or loss        | 659,725          | -               |
| Financial assets that are debt instruments measured at amortised cost | 8,933            | 405,466         |
|   | <u>668,658</u>   | <u>405,466</u>  |
| <b>Financial liabilities</b>  |                  |                 |
| Financial liabilities measured at amortised cost                      | (348,287)        | (35,013)        |
|   | <u>(348,287)</u> | <u>(35,013)</u> |

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

Financial assets that are debt instruments measured at amortised cost are trade and other debtors.

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

**18. Deferred taxation**

|                           | 2017<br>£       |
|---------------------------|-----------------|
| At beginning of year      | -               |
| Charged to profit or loss | (14,077)        |
| <b>At end of year</b>     | <u>(14,077)</u> |

The deferred taxation balance is made up as follows:

|                     | 2017<br>£       | 2016<br>£ |
|---------------------|-----------------|-----------|
| Fair value movement | (14,077)        | -         |
|                     | <u>(14,077)</u> | <u>-</u>  |

## Star Tech NG PLC

### Notes to the financial statements For the year ended 31 December 2017

#### 19. Share capital

|   | 2017<br>£ | 2016<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b> |           |           |
| 50,000 Founder shares of £1 each          | 50,000    | 50,000    |
| 500,001 Ordinary shares of £1 each        | 500,001   | 500,001   |
|   | <hr/>     | <hr/>     |
|   | 550,001   | 550,001   |
|   | <hr/>     | <hr/>     |

#### 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.

#### 20. Reserves

##### Share capital

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

##### Profit and loss account

This reserve comprises all current period retained losses.

#### 21. Related party transactions

During the year Investment Dynamix Limited, a company controlled by one of the directors charged the company £72,000 (2016: £38,000), including £12,000 of irrecoverable VAT, for director's fees, which were fully paid up. At the balance sheet date £6,000 (2016: £6,000) is included in 'Prepayments' in Note 13 to these accounts. Further, Investment Dynamix was reimbursed £1,099 for expenses incurred on behalf of and recharged to the Company.

During the period Company paid expenses totalling £21,488 (2016: £nil) on behalf of JP Jenkins Limited, a company under significant influence of one of the Company's controlling shareholders towards charges invoiced to JP Jenkins by White Knights investments Limited.

At the balance sheet date White Knight Investments Limited owed £8,932 to the Company which is included in 'Trade debtors' in Note 13 to these accounts (2016: £12,568 owed by the Company to White Knight Investments Limited was included in 'Trade creditors' in Note 16 to these accounts).

At the balance sheet date £6,107 (2016: £6,095) was owed to JP Jenkins Limited and is included in 'Trade creditors' in Note 16 to these accounts.

Veronika Oswaldova, the Company's Secretary, received £22,838 (2016: £nil) for consulting services provided to the Company.

#### 22. Controlling party

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