

**Company Registration No. 11260130**

## **STAR ERRIGAL TOPCO LIMITED**

**Financial Statements for the year ended 31 December 2020**

**Pages for filing with the Registrar**



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**Balance Sheet**  
as at 31 December 2020

**Officers and Professional Advisers**

**Directors:** A.J. Bindal  
P. Gough (resigned on 12 May 2021)

**Registered Office:** 15<sup>th</sup> Floor  
33 Cavendish Square  
London  
W1G 0PW

**Bankers:** Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

**Balance Sheet**  
as at 31 December 2020

	Note	2020 €	2019 €
<b>Fixed assets</b>			
Investments	7	10,893,522	7,119,957
<b>Current assets</b>			
Debtors	8	4,019	2,485
Cash at bank and in hand		42,132	39,132
		<b>46,151</b>	<b>41,617</b>
Creditors: amounts falling due within one year	10	(12,008)	(8,471)
<b>Net current assets</b>		<b>34,143</b>	<b>33,146</b>
<b>Total asset less current liabilities</b>		<b>10,927,665</b>	<b>7,153,103</b>
<b>Net assets</b>		<b>10,927,665</b>	<b>7,153,103</b>
<b>Capital and reserves</b>			
Called up share capital	12	3,590,777	3,590,777
Retained earnings		7,336,888	3,562,326
<b>Total shareholders' equity</b>		<b>10,927,665</b>	<b>7,153,103</b>

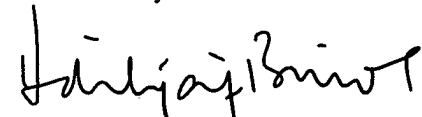
The notes on pages 4 to 13 form part of these financial statements.

The directors have elected not to present a copy of the Profit and Loss with these financials.

**Director's Declaration**

- For the financial year ending on 31 December 2020 the Company was entitled to an exemption from audit under section 477 of the Companies Act 2006 relating to small companies.
- The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 3 to 13 were approved by the Board of Directors on 20 September 2021 and signed on its behalf by:



A.J. Bindal  
Director

## Notes to the Financial Statements

for the year ended 31 December 2020

### 1. General Information

The Company makes, manages and holds investments on behalf of STAR III.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 15th Floor, 33 Cavendish Square, London, W1G 0PW.

### 2. Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom of the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### 3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied. The Company has adopted FRS 102 in these financial statements.

#### (a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

#### (b) Going concern

The directors have reviewed the Company's projected profits and have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### (c) Foreign currency

##### (i) Functional and presentation currency

The Company's functional and presentation currency is the Euro.

##### (ii) 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.

**Notes to the Financial Statements (continued)**  
for the year ended 31 December 2020

**(d) Revenue recognition**

Dividend income is recognised when the Company's right to receive payment is established.

Interest income is recognised using the effective interest rate method.

**(e) Tax**

Tax expense for the period comprises current and deferred tax recognised in the period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

**(i) Current tax**

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**(ii) Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**(f) Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other receivables, and cash and bank balances, are initially recognised at transaction cost, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

**Notes to the Financial Statements (continued)**  
for the year ended 31 December 2020

Other financial assets are initially measured at fair value, which is normally the transaction cost. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit and loss account. Financial assets cease to be recognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

*(ii) Financial liabilities*

Basic financial liabilities, including trade and other creditors, and related party loans, are initially recognised at transaction cost, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction cost and subsequently measured at amortised cost using the effective interest method.

Financial liabilities cease to be recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

*(iii) Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**(f) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(g) Distributions to equity holders**

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

**Notes to the Financial Statements (continued)**  
for the year ended 31 December 2020

**4. Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical judgements in applying the entity's accounting policies**

The Company has classified its investment as held exclusively with a view to subsequent resale. The investment is held as part of an investment portfolio as its value to the shareholders of the Company is at fair value as part of a basket of investments, rather than a media through which the shareholders carry out business.

**(b) Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below

*(i) Fair value of investments not quoted in an active market*

The fair values of securities that are not quoted in an active market are determined by using valuation techniques, primarily earnings multiples and recent comparable transactions. The models used to determine fair values are validated and periodically reviewed by STAR Capital Partnership LLP, the Manager of STAR III. The inputs in the earnings multiples models include observable data, such as earnings multiples of comparable companies to the relevant portfolio company, and unobservable data, such as forecast earnings for the portfolio company. The Manager uses models to adjust the observed equity returns to reflect the actual debt/equity financing structure of the valued equity investment.

**5. Financial risk management**

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows from financial instruments will change due to changes in variables such as interest rates, foreign exchange, or price.

*(i) Interest rate risk*

The Company is subject to interest rate risk due to fluctuations in the prevailing level of market interest rates. The Company has no direct exposure to interest rate risk as the interest rate on all loans advanced to management is fixed. However, the Company may be indirectly affected by the impact of interest rate changes on the earnings of the companies in which the Company invests, which could impact the value of its investments.

The table below summarises the Company's exposure to interest rate risk. It includes the Company's liabilities at fair value, categorised by the earlier of contractual re-pricing or maturity date.



**Notes to the Financial Statements** (continued)  
for the year ended 31 December 2020

*(ii) Foreign exchange risk*

Foreign currency risk arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Company has liabilities denominated in currencies other than the functional currency (Euro). It is therefore exposed to currency risk, because the value of the financial instruments denominated in other currencies will fluctuate due to changes in exchange rates.

As at 31 December, the foreign currency exchange rates applied were as follows:

	2020	2019
British pound	0.8994	0.8500

The table below summarises the Company's assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Euro.

	GBP 2020 €	GBP 2019 €
<b>At 31 December</b>		
Accruals	12,008	8,471

As at 31 December 2020, if the exchange rate between the British pound and the Euro had increased or decreased by 10% compared to the actual rate of 0.8994 (2019: 0.8500), with all other variables held constant, the increase or decrease respectively in net assets and profit would amount to approximately €1,201 (2019: €847).

*(iii) Price risk*

The Company's investment is susceptible to market price risk arising from uncertainties about future values of those instruments. To manage this risk the Manager of STAR III provides the Company with recommendations. The Manager's recommendations are reviewed and approved by the directors before investment decisions are implemented. The directors' review management information from the investment on a quarterly basis and are in regular contact with management for business and operational matters.

At 31 December, the fair value of financial assets exposed to price risk were as follows:

	2020 €	2019 €
Financial assets measured at fair value	10,869,022	7,092,457

The investment is valued using discounted cash flows (2019: EBITDA multiples).

As at 31 December 2020, had the discount rate increased or decreased by 1% compared to those used, with all other variables held constant the net assets attributable to shareholders would decrease by €4,692,272 or increase by €5,967,870, respectively.

As at 31 December 2019, had the earnings multiple increased or decreased by 10% compared with the multiple used, with all other variables held constant, the increase or decrease in net assets attributable to shareholders would be €4,238,391.

**Notes to the Financial Statements** (continued)  
for the year ended 31 December 2020

**(b) Credit risk**

The Company takes on exposure to credit risk, which is the risk that one party will cause a financial loss to the other party by failing to discharge an obligation. The Company is exposed to the risk of non-payment of debt instruments, debtors balances or the interest due on debt instruments.

The Company has no significant concentration to credit risk. The Company assesses all counterparties for credit risk before contracting with them. Cash transactions are limited to financial institutions with high credit ratings. The Company has mortgages over 25,000 B shares in STAR Errigal Bidco DAC as security on the loans advanced to certain members of the management of Sonoma Valley Limited.

As at 31 December, the maximum exposure to credit risk is the carrying amount of the financial assets set out below.

	2020 €	2019 €
Loans to management	24,500	27,500
Prepayments and accrued income	4,019	2,485
Cash at bank and in hand	42,132	39,132

**(c) Liquidity risk**

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company invests in relatively illiquid investments. As a result, the Company might not be able to liquidate its investments quickly at an amount close to their fair value in order to meet significant unplanned liquidity requirements. Ultimate responsibility for liquidity risk management rests with the directors. The Company manages liquidity risk by regularly monitoring forecast and actual cash flows, including checking how actual cash flows compare with the previous forecast.

The table below analyses the Company's financial liabilities into relevant maturity groupings, based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. At present, the Company has no immediate plans to exit any of its positions.

	Less than 1 month €	1 - 12 months €	More than 12 months €
<b>At 31 December 2020</b>			
Accruals	-	12,008	-
	Less than 1 month €	1 - 12 months €	More than 12 months €
<b>At 31 December 2019</b>			
Accruals	-	8,471	-

## Notes to the Financial Statements (continued)

for the year ended 31 December 2020

### (d) Capital risk management

The Company's objective when managing capital is to safeguard the ability to continue as a going concern in order to provide returns for shareholders and to maintain a strong capital base to secure above base case returns from the investment activities of the Company. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder, return capital to shareholders or issue new shares.

### (e) Fair value estimation

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value at 31 December. All fair value measurements disclosed are recurring fair value measurements.

	Level 1	Level 2	Level 3
At 31 December 2020	€	€	€
<b>Assets</b>			
Financial assets measured at fair value			
- Equity securities	-	-	10,869,022
<b>Total assets measure at fair value</b>	<b>-</b>	<b>-</b>	<b>10,869,022</b>
	Level 1	Level 2	Level 3
At 31 December 2019	€	€	€
<b>Assets</b>			
Financial assets measured at fair value			
- Equity securities	-	-	7,092,457
<b>Total assets measure at fair value</b>	<b>-</b>	<b>-</b>	<b>7,092,457</b>

## 6. Employees and Directors

The Company does not have any employees.

The remuneration of the directors is paid by STAR Capital Partnership LLP which makes no recharge to the Company. The directors are partners of STAR Capital Partnership LLP and directors of a number of affiliated companies, and it is not possible to make an accurate apportionment of their remuneration in respect of each of the entities. Accordingly, the director's remuneration is included in the aggregate of members' and staff remuneration disclosed in the financial statements of the STAR Capital Partnership LLP.

**Notes to the Financial Statements** (continued)  
for the year ended 31 December 2020

**7. Investments**

	2020 €	2019 €
At 1 January	7,119,957	6,505,804
Additions	-	-
Disposals	(3,000)	(17,500)
Unrealised gains on investments	3,776,565	631,653
<b>At 31 December</b>	<b>10,893,522</b>	<b>7,119,957</b>

Investments consist of 3,525,000 (2019: 3,525,000) ordinary shares at €1 each in STAR Errigal Midco Limited and loans to members of the management team of the underlying investment of €24,500 (2019: €27,500).

**8. Debtors**

	2020 €	2019 €
Prepayments and accrued income	4,019	2,485

**9. Subsidiaries and related undertakings**

The list of subsidiaries and other related undertakings is as follows:

Name	Address of the registered office	Nature of business	Interest
STAR Errigal Midco Limited	Unit 4 Westgate Business Park, Ballymount, Dublin 24	Investment holding company	100% ordinary shares
STAR Errigal Bidco Limited	Unit 4 Westgate Business Park, Ballymount, Dublin 24	Investment holding company	91% ordinary shares
Hazeltine Holdings Limited	Unit 4 Westgate Business Park, Ballymount, Dublin 24	Investment holding company	91% ordinary shares
Sonoma Valley Limited	Unit 4 Westgate Business Park, Ballymount, Dublin 24	Cash in transit business	91% ordinary shares

The Company's investment in STAR Errigal Midco Limited is direct ownership, all other investments are indirect ownership.

The Company has classified its investments as held exclusivity with a view to subsequent resale and has not consolidated the subsidiary undertakings. The investments are held as part of an investment portfolio as their value to the shareholders of the Company is through fair value as part of a basket of investment rather than a media through which the shareholders carry out business.

**10. Creditors: amounts falling due within one year**

	2020 €	2019 €
Accruals	12,008	8,471

**Notes to the Financial Statements** (continued)  
for the year ended 31 December 2020

**11. Financial instruments**

The Company had the following financial instruments.

	2020 €	2019 €
Financial assets measured at fair value	10,869,022	7,092,457
Financial assets measured at amortised cost		
- Loans to management	24,500	27,500
- Prepayments and accrued income	4,019	2,485
Financial liabilities measured at amortised cost		
- Accruals	12,008	8,471

**12. Share capital**

**Ordinary shares of €1 each**

Allocated	No.	€
At 1 January 2020	3,590,777	3,590,777
Issued during the year	-	-
<b>At 31 December 2020</b>	<b>3,590,777</b>	<b>3,590,777</b>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends or the repayment of capital.

**13. Related party transactions**

The Company advanced €45,000 to management of Sonoma Valley Limited to fund the acquisition of 45,000 B Ordinary Shares in STAR Errigal Bidco DAC. On 4 July 2019, the Company received a loan repayment with accrued interest of €18,356 from one of the management team. On 26 October 2020, the Company received another loan repayment of €3,000 from one of the management team. As at 31 December 2020, loans totalling €24,500 (2019: €27,500) were outstanding with accrued interest of €4,019 (2019: €2,485).

**14. Controlling parties**

The parent entity of the Company is STAR Strategic Assets III LP by virtue of it holding the majority of the shares in the Company.

The ultimate controlling party is STAR Capital Partnership LLP, the Manager of STAR Strategic Assets III LP.