Registered number: 10163106

Star Tech NG PLC

Annual report and financial statements

For the year ended 31 December 2019

Star Tech NG PLC

Company Information

Directors	M Burne I Wallis
Company secretary	V Oswaldova
Registered number	10163106
Registered office	Third Floor 24 Chiswell Street London EC1Y 4YX
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor Third Floor 24 Chiswell Street London EC1Y 4YX

Star Tech NG PLC

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Strategic report
For the year ended 31 December 2019

Introduction

The directors present their report and the financial statements for the year ended 31 December 2019.

Business review

On 1st March 2019 the company's Guernsey-licensed joint venture, MVP Star Tech NG Asset Management Limited ("MVPSTNG"), launched an authorised Class B Guernsey fund – MVP Star Tech NG Fund IC Limited (the "Fund"), a cell of The ERIS ICC Limited. On that date the company seeded the Fund, via an in-specie transfer. The underlying portfolio of 9 late-stage pre-IPO technology companies were valued at $606,587 representing an unrealised gain of £43,961 at constant exchange rates. Subsequently the Fund realised its positions in Hotel Tonight following its sale to Airbnb plus Lyft and Pinterest following their respective IPO's.

On 31st July, the company sold its indirect holding in Airbnb to the Fund, settled half in cash and the balance further shares in the Fund. At 31st December 2019 the company owned a 51.2% interest in the Fund.

The company realised two other investments, completing the exit of Zuora, Inc., 75% of which had been sold in 2018 with the final 25% tranche sold in in March, and realising its entire position in Uber Technologies, Inc. in November following expiry of the lock-up period.

Cash proceeds from the aforementioned investment sales totalled £154,635 during the year, crystallising a total loss on sale of £14,425, mainly as a result of the disappointing slide in Uber's share price post IPO together with the adverse currency movement of sterling against the US dollar during the year.

All our underlying portfolio of late-stage pre-IPO investments is now held indirectly in the Fund, which is advised by MVPSTNG. The company's share of MVSTNG's loss for the year was £23,666.

The company continued to co-invest from its own balance sheet in the primary financing rounds of earlier stage technology companies being led by some of the most well respected and deepest pocketed investors in the venture capital community. Investments were made in Boom Supersonic, Firefly Advertising and Shuttl. These investments, totalling £74,877, were partially funded by an increase of £50,000 in the short-term loan from one of the company's shareholders.

The year was marked by a litany of macroeconomic and market schisms: Brexit uncertainty; US-China trade 'wars'; the public market's perception of Lyft, Uber, WeWork tech IPO 'failures'; and the spotlight on illiquid asset class investing following the 'gating scandal' and subsequent liquidation of high-profile funds (with a heavy tech bias) managed by Woodford Investment Management.

Their cumulative impact on investment sentiment made the fund-raising environment especially challenging and thwarted the company's promotional efforts to raise additional capital for the Fund.

These now seem trivial compared with the unprecedented risk-of reality and global economic impact surrounding the COVID-19 virus pandemic post-year end. The impact to the carrying value of the company's investment portfolio is a non-adjusting event at the balance sheet date whose magnitude will only be ascertained in the coming months as more fully described in Note 22 to the accounts on page 25.

Principal risks and uncertainties

Loss in value of Investments Risk

The Company co-invests passively, either directly or indirectly, with minority positions in private technology companies, mainly based in the US, and does not exert control or influence over its investments.

Many of these technology companies are market leading mid to late-stage growth technology companies with substantial revenues who are on a clear pathway to profitability in the medium term. However, as most of these companies are still loss making, they remain reliant on repeated equity and sometimes debt fundraisings, even in normal economic conditions.

Many of the companies in the Company's portfolio have received sizable rounds of primary funding in the past 18-24 months from some of the most well respected and deepest pocketed investors in the venture capital community and generally have strong balance sheets with large amounts of cash reserves still on hand.

Furthermore, these companies have high quality management teams with sophisticated investors sitting on their boards who have been through substantial market gyrations in the past and will assist in guiding their companies sensibly.

Despite this, how each management team and their boards of directors decide to run their businesses in this unprecedented post year-end 'COVID-19' economic environment, is a factor we cannot influence nor predict whether continued funding, if required, will be available on reasonable terms to them.

Although in the US there is an established secondary market in these private 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.

Financial key performance indicators

The Board monitors the activities and performance of the Company on a regular basis. During the period to 31 December 2019, 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 26 June 2020 and signed on its behalf.

I Wallis
Director

Directors' report
For the year ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

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 £138,470 (2018 - profit £17,491).

The directors do not recommend payment of any dividends (2018: £nil).

Directors

The directors who served during the year were:

M Burne
I Wallis

Future developments

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

COVID-19 is a developing situation as of the date of approval of these financial statements. For further details, see Note 22 to these financial statements.

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.

Directors' report (continued)
For the year ended 31 December 2019

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 June 2020 and signed on its behalf.

I Wallis
Director

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 2019, 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 2019 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

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.

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.

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.

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

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Stephen Tanner BSc (Econ) FCA (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
London

29 June 2020

Statement of comprehensive income
For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	**30,000**	-
Administrative expenses		**(164,020)**	(140,473)
Operating loss	5	**(134,020)**	(140,473)
Share of loss from joint venture		**(23,366)**	(63,022)
(Loss) / Profit on disposal of investments		**(14,425)**	240,250
(Loss)/profit before tax		**(171,811)**	36,755
Tax on (loss)/profit		**33,341**	(19,264)
(Loss)/profit for the financial year		**(138,470)**	17,491
Other comprehensive income for the year			
Unrealised gains on available for sale financial assets		**25,382**	66,364
Unrealised foreign exchange (loss) / gain on available for sale financial assets		**(23,698)**	35,023
Total comprehensive income for the year		**(136,786)**	118,878

The notes on pages 14 to 25 form part of these financial statements.

Star Tech NG PLC
Registered number: 10163106

Balance sheet
As at 31 December 2019

	Note		2019 £		2018 £
Fixed assets					
Intangible assets	10		-		658
Tangible assets	11		-		2,251
Investments	12		611,796		620,207
			611,796		623,116
Current assets					
Debtors: amounts falling due within one year	13	11,717		17,717	
Current asset investments	14	2,165		73,221	
Cash at bank and in hand	15	44,820		78,793	
		58,702		169,731	
Creditors: amounts falling due within one year	16	(316,065)		(268,287)	
Net current liabilities			(257,363)		(98,556)
Total assets less current liabilities			354,433		524,560
Provisions for liabilities					
Deferred tax	18	-		(33,341)	
			-		(33,341)
Net assets			354,433		491,219
Capital and reserves					
Called up share capital	19		550,001		550,001
Profit and loss account	20		(195,568)		(58,782)
			354,433		491,219

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2020.

I Wallis
Director

The notes on pages 14 to 25 form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	550,001	(177,660)	372,341
Comprehensive income for the year			
Profit for the year	-	17,491	17,491
Unrealised gain on investments	-	66,364	66,364
Unrealised foreign exchange loss on investment	-	35,023	35,023
Total comprehensive income for the year	-	118,878	118,878
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 investments	-	(23,698)	(23,698)
Total comprehensive loss for the year	-	(136,786)	(136,786)
At 31 December 2019	550,001	(195,568)	354,433

The notes on pages 14 to 25 form part of these financial statements.

Statement of cash flows
For the year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	**(138,470)**	17,491
Adjustments for:		
Amortisation of intangible assets	**658**	2,700
Depreciation of tangible assets	**2,251**	2,355
Investment management charges	**3,101**	6,036
Loss / (profit) on disposal of investments	**14,425**	(240,250)
Taxation charge	**(33,341)**	19,264
Decrease/(increase) in debtors	**6,000**	(2,784)
(Decrease) in creditors	**(2,222)**	(80,000)
Share of loss from joint venture	**23,366**	63,022
Foreign exchange	**5,501**	-
Net cash generated from operating activities	**(118,731)**	(212,166)
Cash flows from investing activities		
Purchase of unlisted investments	**(74,877)**	(113,933)
Sale of unlisted investments	**81,113**	420,831
Sale of short term unlisted investments	**73,522**	-
Loans to the joint ventures	**(45,000)**	(65,000)
Net cash from investing activities	**34,758**	241,898
Cash flows from financing activities		
Loan received from shareholder	**50,000**	-
Net cash used in financing activities	**50,000**	-
Net (decrease)/increase in cash and cash equivalents	**(33,973)**	29,732
Cash and cash equivalents at beginning of year	**78,793**	49,061
Cash and cash equivalents at the end of year	**44,820**	78,793
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**44,820**	78,793
	44,820	78,793

The notes on pages 14 to 25 form part of these financial statements.

Analysis of Net Debt
For the year ended 31 December 2019

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	78,793	(33,973)	44,820
Debt due within 1 year	(250,000)	(50,000)	(300,000)
	(171,207)	(83,973)	(255,180)

The notes on pages 14 to 25 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2019

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 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 £136,786 (2018: total comprehensive income of £118,878) and having net current liabilities of £257,363 (2018: £98,556), the accounts have been prepared on a going concern basis. Included within creditors are shareholder loans of £300,000 (2018: £250,000) 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 effects 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 2019

2. Accounting policies (continued)

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.

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 Joint ventures

Joint Ventures are held at cost less impairment.

2.8 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

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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.

2.9 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.

2.10 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.

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

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.

Notes to the financial statements
For the year ended 31 December 2019

4. Turnover

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

	2019	2018
	£	£
Consulting income	30,000	-
	30,000	-

Analysis of turnover by country of destination:

	2019	2018
	£	£
United Kingdom	30,000	-
	30,000	-

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2019	2018
	£	£
Exchange differences	5,501	-

6. Auditors' remuneration

	2019	2018
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,652	7,440

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

	2019	2018
Taxation compliance services	942	1,320
All other services	2,962	3,556
	3,904	4,876

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 2019

8. Directors' remuneration

	2019	2018
	£	£
Directors' fees	**72,000**	78,000

9. Taxation

There is no corporation tax charge for the company this year (2018: £nil).

	2019	2018
	£	£
Deferred tax		
Origination and reversal of timing differences	**(33,341)**	19,264

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£	£
(Loss)/profit on ordinary activities before tax	**(171,811)**	36,755
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**(32,644)**	6,983
Effects of:		
Non-tax deductible amortisation of intangible asset	**125**	513
Capital allowances for year in excess of depreciation	**428**	447
Utilisation of tax losses	**(1,342)**	(1,342)
Utilisation of management expenses	**(4,358)**	(6,601)
Special factors affecting joint-ventures and associates leading to an increase in the tax charge	**4,440**	-
Unrelieved tax losses carried forward	**33,351**	-
Deferred tax charge	**(33,341)**	19,264
Total tax charge for the year	**(33,341)**	19,264

Factors that may affect future tax charges

The rate of corporation tax is expected to remain at 19% in April 2020.

Notes to the financial statements
For the year ended 31 December 2019

10. Intangible assets

	Website development costs £
Cost	
At 1 January 2019	**5,400**
At 31 December 2019	**5,400**
Amortisation	
At 1 January 2019	**4,742**
Charge for the year on owned assets	**658**
At 31 December 2019	**5,400**
Net book value	
At 31 December 2019	-
At 31 December 2018	658

11. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2019	**7,063**
At 31 December 2019	**7,063**
Depreciation	
At 1 January 2019	**4,812**
Charge for the year on owned assets	**2,251**
At 31 December 2019	**7,063**
Net book value	
At 31 December 2019	-
At 31 December 2018	2,251

Notes to the financial statements
For the year ended 31 December 2019

12. Fixed asset investments

	Unlisted investments	Investment in joint ventures	Total
	£	£	£
Cost			
At 1 January 2019	613,229	70,000	683,229
Additions	74,877	45,000	119,877
Disposals	(106,581)	-	(106,581)
Foreign exchange movement	(23,612)	-	(23,612)
Revaluations	25,271	-	25,271
At 31 December 2019	583,184	115,000	698,184
Impairment			
At 1 January 2019	-	63,022	63,022
Charge for the period	-	23,366	23,366
At 31 December 2019	-	86,388	86,388
Net book value			
At 31 December 2019	583,184	28,612	611,796
At 31 December 2018	613,229	6,978	620,207

During the year, the company provided funds of £45,000 (2018: £65,000) to MVP Star Tech NG Asset Management Limited, the company's joint venture,

Joint venture

The following was a joint venture of the Company:

Name	Registered office	Holding
MVP Star Tech NG Asset Management Limited	Kingsway House, Havilland Street, St Peter Port, Guernsey, GY1 2QE	50 %

Notes to the financial statements
For the year ended 31 December 2019

13. Debtors

	2019 £	2018 £
Trade debtors	11,716	11,716
Called up share capital not paid	1	1
Prepayments	-	6,000
	11,717	17,717

14. Current asset investments

	2019 £	2018 £
Unlisted investments	2,165	73,221

15. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	44,820	78,793

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	6,107
Other creditors	300,000	250,000
Accruals and deferred income	16,065	12,180
	316,065	268,287

During the period a shareholder loaned £50,000 (2018: £120,000) 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.

Notes to the financial statements
For the year ended 31 December 2019

17. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	**476,059**	599,461
Financial assets that are debt instruments measured at amortised cost	**11,717**	11,717
	487,776	611,178
Financial liabilities		
Financial liabilities measured at amortised cost	**(316,065)**	(268,287)

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

18. Deferred taxation

	2019 £
At beginning of year	**(33,341)**
Charged to profit or loss	**33,341**
At end of year	**-**

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Fair value movement	**-**	(33,341)

19. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
50,000 (2018 - 50,000) Founder shares of £1.00 each	**50,000**	50,000
500,001 (2018 - 500,001) Ordinary shares of £1.00 each	**500,001**	500,001
	550,001	550,001

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

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

21. Related party transactions

During the year Investment Dynamix Limited, a company controlled by one of the directors charged the company £72,000 (2018: £78,000), including £12,000 (2018: £13,000) of irrecoverable VAT, for director's fees, which were paid in full during the year. At the balance sheet date £nil (2018: £6,000) is included in 'Prepayments' in Note 13 to these accounts.

On 8th March 2019 the Company advanced £15,000 to its Associate, MVP Star Tech NG Asset Management Limited, and a further £30,000 on 24th May 2019. These advances were formalised into a second loan agreement with the Associate dated 27th August 2019 with the balance of £45,000 ranking ahead of the balance of £65,000 advanced to the Associate under the terms of a first loan agreement dated 5th January 2018. The balance due to the Company at the balance sheet date is £110,000.

On 24th May 2019 a shareholder loaned £50,000 to the Company to increase the balance advanced under the terms of a loan agreement dated 20 February 2017 to £300,000 (2018: £250,000). The loan is included in Note 16 to these accounts as a shareholder loan due in the current year.

On 31st October 2019 the Company received £30,000 for consulting services provided by the directors to White Knight Investments Ltd, a company wholly owned by one of the Company's controlling shareholders, regarding an investment White Knight had made in an AIM-quoted investment company, with a view to securing control of that company. On 25th September 2019 the Company received a £15,000 short-term, interest free loan from White Knight Investments Limited which was repaid in full on 16th December 2019.

Notes to the financial statements
For the year ended 31 December 2019

22. Post balance sheet events

COVID-19 is a developing situation and as of the date of approval of these financial statements, the assessment of its impact will need continued attention and will evolve over time. Beginning on 23rd January 2020 in China, as the disease has spread, the response of governments to the pandemic has been to impose varying degrees of extended population lockdown. The consequent global economic shock and reaction of global financial markets took effect in March 2020. In the view of the Directors, the COVID-19 pandemic is a non-adjusting subsequent event and as a result, no adjustment is made in these financial statements especially with regard to any impairment to the carrying value of its investments. The Directors will be closely monitoring the latest market developments relating to COVID-19 and the possible future impact on the Company that will only be capable of estimation with the further passage of time.

23. Controlling party

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