

Company Registration No. SC230143 (Scotland)

STAR-Dundee Limited

unaudited financial statements

for the year ended 31 July 2023

Pages for filing with Registrar

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STAR-Dundee Limited**Balance sheet**

as at 31 July 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	3	1,239,046		428,991	
Investments	4	3,125		3,125	
		<u>1,242,171</u>		<u>432,116</u>	
Current assets					
Stocks		1,527,857		753,408	
Debtors	5	1,435,490		1,112,935	
Cash at bank and in hand		7,134,747		6,556,299	
		<u>10,098,094</u>		<u>8,422,642</u>	
Creditors: amounts falling due within one year	6	<u>(1,112,833)</u>		<u>(1,176,386)</u>	
Net current assets		<u>8,985,261</u>		<u>7,246,256</u>	
Total assets less current liabilities		<u>10,227,432</u>		<u>7,678,372</u>	
Provisions for liabilities		<u>(12,111)</u>		<u>(30,112)</u>	
Net assets		<u>10,215,321</u>		<u>7,648,260</u>	
Capital and reserves					
Called up share capital		90		90	
Revaluation reserve	8	47,719		48,699	
Profit and loss reserves		10,167,512		7,599,471	
Total equity		<u>10,215,321</u>		<u>7,648,260</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 July 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 2 April 2024 and are signed on its behalf by:

Stuart Mills

Director

Company Registration No. SC230143

1 Accounting policies

Company information

STAR-Dundee Limited is a private company limited by shares incorporated in Scotland. The registered office is Star House, 166 Nethergate, Dundee, DD1 4EE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2%
Plant and equipment	25%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Land and buildings are held at fair value, there has been no change in the fair value during the year.

1 Accounting policies (continued)

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies (continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. Amounts payable 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 price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.15 Employee ownership trust

Where the company makes payments to the Trust where no future economic benefits will flow to the company following payment and where the company does not have control to the right or other access to the future economic benefit it is expected to receive, the payments will be expensed in the Profit and loss account.

Where the company distributes its equity instruments to the Trust and in the opinion of the directors de-facto control over the Trust does not exist then the assets and liabilities of the Trust are not recorded on the Balance sheet of the company.

The directors are of the opinion that de-facto control of the Trust does not exist and therefore have excluded the assets and liabilities of the Trust from these financial statements.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 23 (2022 - 21).

	2023 Number	2022 Number
Total	23	21
	==	==

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 August 2022	435,000	342,092	777,092
Additions	834,886	11,360	846,246
	<u>1,269,886</u>	<u>353,452</u>	<u>1,623,338</u>
At 31 July 2023			
Depreciation and impairment			
At 1 August 2022	34,800	313,301	348,101
Depreciation charged in the year	25,398	10,793	36,191
	<u>60,198</u>	<u>324,094</u>	<u>384,292</u>
At 31 July 2023			
Carrying amount			
At 31 July 2023	1,209,688	29,358	1,239,046
	<u>400,200</u>	<u>28,791</u>	<u>428,991</u>
At 31 July 2022			

Land and buildings with a carrying amount of £435,000 were revalued at 15 January 2018 by independent valuers not connected with the company on the basis of fair value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The property was revalued from a historical cost of £369,650 to a fair value of £435,000.

The revaluation surplus is disclosed in note 8.

Historical cost and net book value of revalued assets

	2023 £	2022 £
Cost	369,650	369,650
Accumulated depreciation	(36,965)	(29,572)
Carrying value	<u>332,685</u>	<u>340,078</u>

STAR-Dundee Limited

Notes to the financial statements (continued)

for the year ended 31 July 2023

4 Fixed asset investments

	2023	2022
	£	£
Investments	3,125	3,125
	=====	=====

Fixed asset investments not carried at market value

The investment relates to the wholly owned shares in the company's subsidiary Space Technology and Applied Research Barcelona, SL. The investment is held at cost by the directors as there is no fair value available.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 August 2022 & 31 July 2023	3,125
	=====
Carrying amount	
At 31 July 2023	3,125
	=====
At 31 July 2022	3,125
	=====

5 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	349,356	388,543
Amounts owed by group undertakings	-	124,410
Other debtors	1,086,134	599,982
	=====	=====
	1,435,490	1,112,935
	=====	=====

6 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	165,660	45,287
Amounts owed to group undertakings	48,033	-
Corporation tax	497,299	861,983
Other taxation and social security	32,424	31,139
Other creditors	369,417	237,977
	=====	=====
	1,112,833	1,176,386
	=====	=====

7 Security

As part of the transition to EOT, the company granted a standard security over its land and buildings as well as a bond and floating charge over all of its property to members selling shares to the EOT. Both the bond and floating charge were satisfied in May 2022.

8 Revaluation reserve

	2023	2022
	£	£
At the beginning of the year	48,699	46,072
Deferred tax on revaluation of tangible assets	327	3,934
Revaluation reserve amortisation	(1,307)	(1,307)
	<u>47,719</u>	<u>48,699</u>
At the end of the year	<u>47,719</u>	<u>48,699</u>

The revaluation reserve relates to the gains and losses arising each year on the revaluation of Star House, less deferred tax on the revaluations. These reserves are non-distributable reserves.

9 Profit and loss reserves

The profit and loss account includes all current and prior period retained profit and losses.

10 Related party transactions

Transactions with related parties

Other information

In accordance with the share purchase agreement (2017), £Nil was paid on behalf of the Employee Ownership Trust (2022 - £472,500). £Nil was paid to Stephen Parkes (2022 - £141,750) and £Nil was paid to University of Dundee (2022 - £330,750).

11 Directors' transactions

Dividends totalling £107,140 (2022 - £53,570) were paid in the year in respect of shares held by the company's directors, but not all of the shareholders are directors.