

REGISTERED NUMBER: 05957310 (England and Wales)

Strategic Report, Directors' Report and
Audited Financial Statements for the Year Ended 31 March 2023
for
Little Star Media Limited

TUESDAY



ACI7ISSG

A19

12/12/2023

#25

COMPANIES HOUSE

Little Star Media Limited

Contents of the Financial Statements
for the Year Ended 31 March 2023

	Page
Company Information	1
Strategic Report	2
Directors' Report	4
Report of the Independent Auditors	6
Income Statement	9
Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13
Trading and Profit and Loss Account	23

Little Star Media Limited

Company Information
for the Year Ended 31 March 2023

DIRECTORS:

Mr Norman Glyn Jacobs
Mrs Kylie M Pulling
Mr John Christopher Patrick Wesson
Ms Amanda Kim Placko

SECRETARY:

Kurator Secretaries Limited

REGISTERED OFFICE:

478-480 Midsummer Boulevard
Milton Keynes
Buckinghamshire
MK9 2EA

REGISTERED NUMBER:

05957310 (England and Wales)

AUDITORS:

Mercer & Hole LLP
Chartered Accountants
Statutory Auditor
Silbury Court
420 Silbury Boulevard
Central Milton Keynes
Buckinghamshire
MK9 2AF

Little Star Media Limited

Strategic Report for the Year Ended 31 March 2023

The directors present their strategic report for the year ended 31 March 2023.

REVIEW OF BUSINESS

The Company acts as an online marketing agency specialising in the United Kingdom online gaming market. The Company continues to hold a strong market position within the online casino and online gaming industry in the United Kingdom. The Company along with its subsidiary Little Star Media USA Limited, forming the Little Star Media Group, achieves economy of scale by operating the same online-brand across multiple platforms and in multiple geographical areas.

The management together with the directors believe that the Little Star Media Group is well positioned for future organic growth with the aim of becoming a global business within the market place for performance marketing by furthering its online presence throughout the UK and achieving significant growth of its brand in the USA.

Results and performance

The results of the Company for the year, as set out on page 11, show a profit before tax of £2,124,223 (2022: £2,281,444). Total shareholders' funds amounted to £2,892,925 (2022: £2,976,886).

Business environment and strategy

In addition to the challenging regulations that govern the online gaming industry, the Company is operating in an environment where technology is constantly developing and competitors emerging. The Company aims to maintain its market position through continuous innovation, quality content, regulatory compliance, and social responsibility.

Key Performance Indicators ("KPIs")

The directors monitor the progress of the Company by reference to the following KPIs:

Financial KPIs	Units	2023	2022
Turnover	£m	14	12
Profit before tax	£m	2	2

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk management and risk acceptance is addressed through a framework of policies, procedures and internal controls. All policies are subject to approval and ongoing review by senior management. Compliance with regulation, legal and ethical standards is an ongoing priority for the Company and the compliance team take on an important role in this regard.

The Little Star Media Group's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The main financial risks consist of credit, liquidity and market risks (refer to the Directors report for further details). The Little Star Media Group is also exposed to compliance risk. The directors proactively manage all aspects of the business in order to either remove or reduce any risks.

Little Star Media Limited

Strategic Report
for the Year Ended 31 March 2023

FUTURE DEVELOPMENTS

No change in the Company's activities is anticipated. The directors expect to face challenges in the general level of activity during the next financial year. The business within the USA is expected to continue to grow. The Company will continue to deliver online customers through its internally developed platform, expertise and resources.

ON BEHALF OF THE BOARD:



.....
Mrs Kylie M Pulling - Director

Date: **29 NOVEMBER 2023**
.....

Little Star Media Limited

Directors' Report for the Year Ended 31 March 2023

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an online marketing agency specialising in the UK online gaming market.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2023 has been £2,145,000. No further dividends are proposed for the year ending 31 March 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr Norman Glyn Jacobs
Mrs Kylie M Pulling
Mr John Christopher Patrick Wesson
Ms Amanda Kim Placko

FINANCIAL INSTRUMENTS

Financial instruments and risk management

The directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The directors, together with the management of the Company, are responsible for developing and monitoring the Company's risk management policies. Refer also to 'Principal risks and uncertainties' as set out in the Strategic report.

The Company's financial instruments comprise cash, and items such as trade receivables and trade payables that arise directly from its operation. The main financial risks arising from these financial instruments are credit, liquidity and market risks.

Credit risk

Trade receivables give rise to credit risk for the Company.

Trade receivables are, where appropriate, subject to regular reviews of exposures, specifically reviews are undertaken where known risks have arisen or still persist. Unpaid balances are followed up on an ongoing basis. Any indications of impairment to the recoverability of trade receivable balances are provided for in the Statement of comprehensive income. The financial risk regarding amounts owed by group undertakings is considered low risk due to the financial strength of the group.

Liquidity risk

Liquidity risk arises in relation to the Company's management of working capital and the risk that the Company will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and ongoing working capital requirements are regularly reviewed by the directors. The Company has also significant bank balances which reduce liquidity risk.

Market risk

Market risk is the risk that changes in exchange rates will affect the Company's income and therefore ultimately its profitability. The Company's income and cost base is predominantly in pounds sterling so market risk is limited in these circumstances. However, the income and cost base of Little Star Media USA Limited, a wholly owned subsidiary of the Company is predominantly receivable and payable in foreign currency. Exposure to currency fluctuations has not had a material impact on the Company's business, financial condition or results of operations. To minimise this risk, the Company's subsidiary has foreign currency bank accounts.

Little Star Media Limited

Directors' Report
for the Year Ended 31 March 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Mercer & Hole LLP were appointed as auditor to the company and, in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be reappointed will be put at a General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr John Christopher Patrick Wesson - Director

Date: **29 NOVEMBER 2023**
.....

**Report of the Independent Auditors to the Members of
Little Star Media Limited**

Opinion

We have audited the financial statements of Little Star Media Limited (the 'company') for the year ended 31 March 2023 which comprise the income statement, other comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including 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 March 2023 and of its profit 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 Auditor's 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 UK, including the FRC'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.

Other Matter

The financial statements of the company for the year ended 31 March 2022 were unaudited.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
Little Star Media Limited**

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 Directors' Report.

We have nothing to report in respect of the following matters where 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; or
- the directors not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the director's responsibilities statement, 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.

Auditor's 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 auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Report of the Independent Auditors to the Members of
Little Star Media Limited

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 auditor's 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.

Mercer & Hole LLP

James Wooldridge MSci FCA - Senior Statutory Auditor
for and on behalf of Mercer & Hole LLP
Chartered Accountants
Statutory Auditor
Silbury Court
420 Silbury Boulevard
Central Milton Keynes
Buckinghamshire
MK9 2AF

Date: *5 December 2023*

Little Star Media Limited

Income Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 as restated £
TURNOVER		14,491,231	11,530,389
Cost of sales		6,573,005	5,309,776
GROSS PROFIT		7,918,226	6,220,613
Administrative expenses		5,813,298	3,941,645
OPERATING PROFIT	5	2,104,928	2,278,968
Interest receivable and similar income		19,295	2,476
PROFIT BEFORE TAXATION		2,124,223	2,281,444
Tax on profit	6	63,184	279,342
PROFIT FOR THE FINANCIAL YEAR		2,061,039	2,002,102

The notes form part of these financial statements

Little Star Media Limited

Other Comprehensive Income
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 as restated £
PROFIT FOR THE YEAR		2,061,039	2,002,102
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,061,039</u>	<u>2,002,102</u>

The notes form part of these financial statements

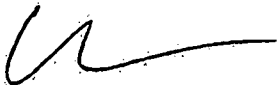
Little Star Media Limited (Registered number: 05957310)

Statement of Financial Position
31 March 2023

		31.3.23	31.3.22 as restated.
	Notes	£	£
FIXED ASSETS			
Tangible assets	9	31,933	10,353
Investments	10	7,048	7,048
		<u>38,981</u>	<u>17,401</u>
CURRENT ASSETS			
Debtors	11	2,886,198	2,334,599
Cash at bank and in hand		3,030,728	2,601,430
		<u>5,916,926</u>	<u>4,936,029</u>
CREDITORS			
Amounts falling due within one year	12	3,056,915	1,974,577
NET CURRENT ASSETS		<u>2,860,011</u>	<u>2,961,452</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,898,992</u>	<u>2,978,853</u>
PROVISIONS FOR LIABILITIES	14	6,067	1,967
NET ASSETS		<u>2,892,925</u>	<u>2,976,886</u>
CAPITAL AND RESERVES			
Called up share capital	15	642	642
Share premium	16	6,645	6,645
Capital redemption reserve	16	120	120
Retained earnings	16	2,885,518	2,969,479
SHAREHOLDERS' FUNDS		<u>2,892,925</u>	<u>2,976,886</u>

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

29 NOVEMBER 2023


.....
Mr John Christopher Patrick Wesson - Director


.....
Mrs Kylie M Pulling - Director

The notes form part of these financial statements

Little Star Media Limited

Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 April 2021	642	2,642,377	6,645	120	2,649,784
Changes in equity					
Dividends	-	(1,675,000)	-	-	(1,675,000)
Total comprehensive income	-	2,002,102	-	-	2,002,102
Balance at 31 March 2022	642	2,969,479	6,645	120	2,976,886
Changes in equity					
Dividends	-	(2,145,000)	-	-	(2,145,000)
Total comprehensive income	-	2,061,039	-	-	2,061,039
Balance at 31 March 2023	642	2,885,518	6,645	120	2,892,925

The notes form part of these financial statements

Little Star Media Limited

Notes to the Financial Statements
for the Year Ended 31 March 2023

1. **STATUTORY INFORMATION**

Little Star Media Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of paragraph 33.7.

The financial statements of the Company are consolidated in the financial statements of Wesson Marketing Limited. These consolidated financial statements are available to the public and are available from Companies House.

Preparation of consolidated financial statements

The financial statements contain information about Little Star Media Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Wesson Marketing Limited, 478-480 Midsummer Boulevard, Milton Keynes, Buckinghamshire, MK9 2EA.

Significant judgements and estimates

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 associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised where the revision affects only that year, or in the year of the revision and future years where the revision affects both current and future years.

In the course of preparing these financial statements, no judgements have been made that have had a significant effect on the amounts recognised.

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of the consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover consists of commission income.

Commission income consists of revenue generated in the form of commission on players directed to betting operators from the Company's website. The commission takes the form of:

Revenue share

For a revenue share deal, the Company receives a share of the revenues that the betting operator has generated as a result of a player playing on their betting site. Revenue is recognised in the month that it is earned by the respective betting operator.

Cost per acquisition (CPA)

For CPA deals, the betting operator pays a one-time fee to the Company for each player who deposits money on the betting operators site. CPA contracts consists of a pre-agreed rate with the betting operator. Revenue from such contracts is recognised in the month in which deposits are made.

Tangible fixed assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

2. ACCOUNTING POLICIES - continued

Financial instruments

Classification

A financial asset or financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial assets, which include debtors, cash bank balances and loans to fellow group companies are initially recognised at the transaction price including transactions costs and are subsequently carried at amortised cost. Basic financial liabilities, which include creditors, are initially recognised at the transaction price, unless the arrangement constitutes a financial transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for debt instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Amounts held in foreign currency are translated during each month at the opening rate using HMRC's approved rates.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently tested for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Amounts invoiced in foreign currency are translated during each month at the opening rate using HMRC's approved rates.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditors for at least twelve months after the reporting date.

Trade creditors are recognised at the transaction price.

Amounts invoiced in foreign currency are translated during each month at the opening rate using HMRC's approved rates.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Little Star Media Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligations

A defined contribution plan is a plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expenses when they are due. If contributions payments exceed the contribution due for service, the excess is recognised as a pre payment.

Investments

Investments in equity shares are measured at cost.

3. EMPLOYEES AND DIRECTORS

	31.3.23	31.3.22 as restated
	£	£
Wages and salaries	3,853,434	2,546,561
Social security costs	483,756	270,948
Other pension costs	120,854	106,805
	<u>4,458,044</u>	<u>2,924,314</u>

Little Star Media Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

3. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	31.3.23	31.3.22 as restated
Marketing	12	10
Compliance	3	3
Directors	3	2
Creatives	11	11
Development & Analytics	16	11
Commercial	12	9
	<u>57</u>	<u>46</u>

4. DIRECTORS' EMOLUMENTS

	31.3.23	31.3.22 as restated
Directors Remuneration	<u>934,953</u>	<u>469,717</u>

	31.3.23	31.3.22 as restated
By Invoice	<u>279,400</u>	<u>404,400</u>

Information regarding the highest paid director is as follows:

	31.3.23	31.3.22 as restated
Remuneration	<u>636,953</u>	<u>446,717</u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.3.23	31.3.22 as restated
Hire of plant and machinery	£ 270	£ 450
Other operating leases	113,692	95,781
Depreciation - owned assets	13,359	5,169
Profit on disposal of fixed assets	-	(97,847)
Auditors' remuneration	<u>10,200</u>	<u>-</u>

Little Star Media Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.23	31.3.22 as restated
	£	£
Current tax:		
UK corporation tax	168,999	396,512
Tax Prior Year Adjustment	(109,915)	(119,137)
Total current tax	59,084	277,375
Deferred tax	4,100	1,967
Tax on profit	63,184	279,342

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.23	31.3.22 as restated
	£	£
Profit before tax	2,124,223	2,281,444
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	403,602	433,474
Effects of:		
Expenses not deductible for tax purposes	19	-
Income not taxable for tax purposes	(730)	(433)
Utilisation of tax losses	(95,431)	(33,678)
Adjustments to tax charge in respect of previous periods	(109,915)	(119,136)
Effect of permanent timing differences	(1,993)	(885)
Expenses deductible for tax purposes (Research & Development Claim)	(132,368)	-
Total tax charge	63,184	279,342

7. DIVIDENDS

	31.3.23	31.3.22 as restated
	£	£
Interim	2,145,000	1,675,000

Little Star Media Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

8. PRIOR YEAR ADJUSTMENT

During the year, the directors have reviewed the allocation of certain costs between cost of sales and administrative expenses, as well as the reclassification of some items within the statement of financial position. As a result, comparative figures have been restated to be presented on a consistent basis. There is no impact on the reported results.

The net effect of the prior year adjustments on the comparative figure for the year to 31 March 2022 is as follows:

Cost of sales: increased by £287,523
Administrative expenses: reduced by £287,523
Trade debtors: reduced by £11,107
Provisions: reduced by £11,107
Trade creditors: reduced by £233,986
VAT liability: increased by £233,986

9. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 April 2022	15,522
Additions	34,939
At 31 March 2023	50,461
DEPRECIATION	
At 1 April 2022	5,169
Charge for year	13,359
At 31 March 2023	18,528
NET BOOK VALUE	
At 31 March 2023	31,933
At 31 March 2022	10,353

10. FIXED ASSET INVESTMENTS

	Unlisted investments £	Investments in subsidiaries £	Totals £
COST			
At 1 April 2022 and 31 March 2023	6,948	100	7,048
NET BOOK VALUE			
At 31 March 2023	6,948	100	7,048
At 31 March 2022	6,948	100	7,048

Little Star Media Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

10. FIXED ASSET INVESTMENTS - continued

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Little Star Media USA Ltd

Registered office: 474-480 Midsummer Boulevard, Milton Keynes, MK9 2EA

Nature of business: Online Marketing agency

Class of shares:	% holding
Ordinary	100.00

The Directors have determined that they are unable to reliably measure the fair value of the company's minority interest in its unlisted investment. The carrying amount of this investment is reported at cost.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22 as restated
	£	£
Trade debtors	2,270,209	1,713,809
Amounts owed by group undertakings	343,232	568,614
Tax	221,291	-
Prepayments	51,466	52,176
	<u>2,886,198</u>	<u>2,334,599</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22 as restated
	£	£
Trade creditors	907,771	556,108
Tax	-	68,774
Social security and other taxes	82,726	56,394
VAT	278,585	233,986
Other creditors	1,220	6,040
Accrued expenses	1,786,613	1,053,275
	<u>3,056,915</u>	<u>1,974,577</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.23	31.3.22 as restated
	£	£
Within one year	20,027	120,164
Between one and five years	-	20,027
In more than five years	-	-
	<u>20,027</u>	<u>140,191</u>

Little Star Media Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

14. PROVISIONS FOR LIABILITIES

	31.3.23	31.3.22 as restated
	£	£
Deferred tax		
Accelerated capital allowances	6,067	1,967
		Deferred tax
		£
Balance at 1 April 2022		1,967
Provided during year		4,100
Balance at 31 March 2023		6,067

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.3.23	31.3.22 as restated
Number:	Class:			
64,127	Ordinary	1p	£ 642	£ 642

Ordinary shares hold full rights to income, votes and capital.

16. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 April 2022	2,969,479	6,645	120	2,976,244
Profit for the year	2,061,039	-	-	2,061,039
Dividends	(2,145,000)	-	-	(2,145,000)
At 31 March 2023	2,885,518	6,645	120	2,892,283

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension costs charged for the year represent contributions payable by the company to the scheme and amounted to £128,659 (2022:£106,804).

Little Star Media Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

18. SHARE OPTIONS

During the year the company granted options over 16,032 ordinary shares in the company. Options were granted to two Directors, and one supplier connected with a director of the company. The exercise price of the options is equal to £0.01 per share.

The options are exercisable only at the time of a sale of 100% of the share capital of the company.

The directors have determined that the value of the options is immaterial and, hence, have not recognised any profit and loss charge.

19. RELATED PARTY DISCLOSURES

During the year the company entered into the following transactions with related parties:

	Income		Payments	
	31.3.23	31.3.22	31.3.23	31.3.22
		as restated		as restated
	£	£	£	£
Accountancy fees from related parties with common directors	-	-	12,429	10,028

The above transactions are in addition to directors remuneration paid through related parties as disclosed in note 4.

20. PARENT COMPANY & ULTIMATE CONTROLLING PARTY

The immediate parent of the company is Wesson Marketing Limited, an entity incorporated in England & Wales. The ultimate controlling party is J.C. Wesson.

The largest and smallest group in which the results of the Company are consolidated is that headed by Wesson Marketing Limited, incorporated in England & Wales. The consolidated accounts of Wesson Marketing Limited are available to the public and may be obtained from Companies house. No other group accounts include the results of the Company.