

Company registration number 05957310 (England and Wales)

LITTLE STAR MEDIA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

LITTLE STAR MEDIA LIMITED

COMPANY INFORMATION

Directors	J C Wesson	
	R A Lawrence	(Appointed 11 October 2024)
	M Coombes	(Appointed 17 December 2024)
	S M Collins	(Appointed 2 September 2024)
	Mr G Jones	
Secretary	C Sugrue	
Company number	05957310	
Registered office	Suite 478 - 480 Exchange House 450 Midsummer Boulevard Central Milton Keynes Bucks MK9 2EA	
Auditor	Mercer & Hole LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes Buckinghamshire MK9 1BP	

LITTLE STAR MEDIA LIMITED

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LITTLE STAR MEDIA LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present the strategic report for the year ended 31 March 2024.

Review of the business

Little Star Media Limited continued its role as an online marketing agency specialising in the UK online gaming market. Despite a challenging year, the company remains a recognised force in the sector. The wider Little Star Media Group, including its U.S. subsidiary, leverages brand consistency and cross-platform scale to maximise reach.

Although the group reported a loss before tax, this year was characterised by significant investment in infrastructure, personnel, and strategic marketing campaigns, setting a foundation for future recovery and growth. Our U.S. presence continues to grow, and efforts are being made to diversify operator partnerships and strengthen brand visibility across key digital channels.

Results and performance

The results of the Company for the year, as set out on page 11, show a loss before tax of £981,469 (2023: profit of £2,124,223). Total shareholders' funds amounted to £406,998 (2023: £2,892,925).

Business environment and strategy

The regulatory landscape within the online gaming industry remained stringent, alongside an increasingly competitive and technologically evolving market. In response, the company invested in internal systems and team growth, with particular attention to campaign monitoring, regulatory compliance, and market segmentation. The strategy moving forward is focused on stabilising earnings through optimised partnerships, enhancing player value, and expanding the brand's footprint both in the UK and U.S. markets.

Key performance indicators("KPIs")

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

Financial KPI

Units	2024	2023
Turnover (£m)	11.1	14.0
Profit before tax (£m)	(0.98)	2.1

Principal risks and uncertainties

The company continues to operate under a formal risk management framework addressing strategic, operational, and financial risks. Compliance risks remain significant due to evolving regulations, especially around advertising and responsible gaming policies. The directors and compliance teams actively monitor developments to ensure proactive adjustments are made. Market risks, primarily relating to competition and digital platform policies, are mitigated through diversification of traffic sources and consistent brand testing.

Liquidity risk has been minimised through close monitoring of working capital and maintaining substantial cash reserves. Exposure to foreign currency risk through the U.S. subsidiary remains controlled via foreign currency accounts.

Future developments

The focus for the 2024/2025 financial year will be consolidation and recovery. Key strategic goals include:

- Rebalancing operator portfolio to prioritise ROI-positive partnerships.
- Driving revenue from no-deposit campaigns and improved CRM collaboration.
- Enhancing data analytics infrastructure to improve campaign attribution and EPC visibility.
- Continuing to build on the positive momentum in the U.S. market.

The directors remain confident in the Company's long-term growth trajectory and ability to regain profitability in future years.

LITTLE STAR MEDIA LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

On behalf of the board

J C Wesson

Director

31 March 2025

LITTLE STAR MEDIA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

The principal activity of the company continued to be that of an online marketing agency, specialising in the UK online gaming market.

Results and dividends

The results for the year are set out on page 8.

The total distribution of dividends for the year ended 31 March 2024 has been £1,481,359. No further dividends are proposed for the year ending 31 March 2024.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A K Placko	(Resigned 21 August 2024)
J C Wesson	
K Pulling	(Resigned 2 September 2024)
N G Jacobs	(Resigned 11 October 2024)
R A Lawrence	(Appointed 11 October 2024)
M Coombes	(Appointed 17 December 2024)
S M Collins	(Appointed 2 September 2024)
Mr G Jones	

Financial instruments

The directors have overall responsibility for the establishment and oversight of the company's risk management framework. This includes credit, liquidity and market risk management for financial instruments such as trade receivables, cash and payables. The company actively monitors its exposure to these risks and takes action to ensure they are mitigated where possible. Foreign currency exposure in the U.S. subsidiary is managed through appropriate bank account arrangements.

Auditor

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

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. The directors confirm that suitable accounting policies have been selected and applied consistently; judgments and estimates are made that are reasonable and prudent; and the financial statements have been prepared on a going concern basis.

LITTLE STAR MEDIA LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all steps necessary to ensure that they are aware of any relevant audit information and that the auditors are made aware of that information.

On behalf of the board

J C Wesson

Director

31 March 2025

LITTLE STAR MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER 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 2024 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the 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 2024 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 *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.

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.

LITTLE STAR MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF LITTLE STAR MEDIA LIMITED (CONTINUED)

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 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, 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.

Extent to which 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.

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.

LITTLE STAR MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF LITTLE STAR MEDIA LIMITED (CONTINUED)

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 member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

James Wooldridge MSci FCA (Senior Statutory Auditor)

For and on behalf of Mercer & Hole LLP, Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

Buckinghamshire

MK9 1BP

31 March 2025

LITTLE STAR MEDIA LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
	Notes	£	£
Turnover	3	11,059,404	14,491,231
Cost of sales		(7,051,977)	(6,573,005)
Gross profit		4,007,427	7,918,226
Administrative expenses		(5,020,495)	(5,813,298)
Operating (loss)/profit	4	(1,013,068)	2,104,928
Interest receivable and similar income	7	31,599	19,295
(Loss)/profit before taxation		(981,469)	2,124,223
Tax on (loss)/profit	8	(23,099)	(63,184)
(Loss)/profit for the financial year		(1,004,568)	2,061,039

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LITTLE STAR MEDIA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
(Loss)/profit for the year	(1,004,568)	2,061,039
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(1,004,568)</u>	<u>2,061,039</u>

LITTLE STAR MEDIA LIMITED

BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		325,385		31,933
Investments	11		7,048		7,048
			<u>332,433</u>		<u>38,981</u>
Current assets					
Debtors	13	1,481,278		2,886,198	
Cash at bank and in hand		244,568		3,030,728	
		<u>1,725,846</u>		<u>5,916,926</u>	
Creditors: amounts falling due within one year	14	(1,622,115)		(3,056,915)	
Net current assets			<u>103,731</u>		<u>2,860,011</u>
Total assets less current liabilities			<u>436,164</u>		<u>2,898,992</u>
Provisions for liabilities					
Deferred tax liability	15	29,166	(29,166)	6,067	(6,067)
Net assets			<u><u>406,998</u></u>		<u><u>2,892,925</u></u>
Capital and reserves					
Called up share capital	17		642		642
Share premium account			6,645		6,645
Capital redemption reserve			120		120
Profit and loss reserves			<u>399,591</u>		<u>2,885,518</u>
Total equity			<u><u>406,998</u></u>		<u><u>2,892,925</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 31 March 2025 and are signed on its behalf by:

J C Wesson
Director

Company registration number 05957310 (England and Wales)

LITTLE STAR MEDIA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2022		642	6,645	120	2,969,479	2,976,886
Year ended 31 March 2023:						
Profit and total comprehensive income		-	-	-	2,061,039	2,061,039
Dividends	9	-	-	-	(2,145,000)	(2,145,000)
Balance at 31 March 2023		642	6,645	120	2,885,518	2,892,925
Year ended 31 March 2024:						
Loss and total comprehensive income		-	-	-	(1,004,568)	(1,004,568)
Dividends	9	-	-	-	(1,481,359)	(1,481,359)
Balance at 31 March 2024		642	6,645	120	399,591	406,998

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

Little Star Media Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite 478 - 480 Exchange House, 450 Midsummer Boulevard, Central Milton Keynes, Bucks, MK9 2EA.

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.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Wesson Marketing Limited. These consolidated financial statements are available from its registered office, Suite 478-480 Exchange House, 450 Midsummer Boulevard, Milton Keynes, MK9 2EA.

1.2 Going concern

The company incurred a loss after tax of £1,004,568 in the year, but had a positive balance sheet position at the year end, showing net assets of £406,998.

Since the year end the company has lost certain key contracts and personnel and has, as a result, undergone some restructuring to ensure that the company is in a position to continue to trade as a going concern. This included a change in ownership, with the company being acquired by Good Engine Limited in October 2024.

Following the implementation of this restructuring plan, the directors are confident that the company is in a position to continue to settle its liabilities as they fall due. Detailed cash flow forecasts have been prepared to assist in making this judgement.

These financial statements have, therefore, been prepared on a going concern basis.

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of 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 received a share of the revenue 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.

1.4 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:

Leasehold improvements	10% straight line
Plant and machinery	33% straight line
Computer equipment	33% straight line

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.

1.5 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.

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.6 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.

1.7 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.

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Basic financial liabilities

Basic financial liabilities, being creditors, 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. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

These financial statements for the year ended 31 March 2024 are the first financial statements of Little Star Media Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2022. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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.

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

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.

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Judgements 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 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 period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2024 £	2023 £
Turnover analysed by class of business		
Rendering of services	11,059,404	14,491,231
	<u>11,059,404</u>	<u>14,491,231</u>
	2024 £	2023 £
Turnover analysed by geographical market		
United Kingdom	11,059,404	14,491,231
	<u>11,059,404</u>	<u>14,491,231</u>
	2024 £	2023 £
Other revenue		
Interest income	31,599	19,295
	<u>31,599</u>	<u>19,295</u>

4 Operating (loss)/profit

	2024 £	2023 £
Operating (loss)/profit for the year is stated after charging:		
Exchange losses	870	-
Fees payable to the company's auditor for the audit of the company's financial statements	17,151	10,200
Depreciation of owned tangible fixed assets	41,262	13,359
Operating lease charges	147,995	113,692
	<u>166,278</u>	<u>137,251</u>

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024 Number	2023 Number
Marketing	17	12
Compliance	3	3
Directors	3	3
Creatives	15	11
Development and analytics	17	16
Commerical	8	12
Total	63	57

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	3,288,912	3,822,731
Social security costs	352,750	483,756
Pension costs	156,098	128,660
	3,797,760	4,435,147

6 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	422,781	928,000
By invoice	254,400	279,400
Company pension contributions to defined contribution schemes	4,125	6,953
	501,306	1,214,353

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024 £	2023 £
Remuneration for qualifying services	277,781	639,953
Company pension contributions to defined contribution schemes	4,125	6,953

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	19,105	14,261
Interest receivable from group companies	-	3,845
Other interest income	12,494	1,189
	<u>31,599</u>	<u>19,295</u>

8 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	-	168,999
Adjustments in respect of prior periods	-	(109,915)
	<u>-</u>	<u>59,084</u>
Deferred tax		
Origination and reversal of timing differences	23,099	4,100
	<u>23,099</u>	<u>63,184</u>

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
(Loss)/profit before taxation	<u>(981,469)</u>	<u>2,124,223</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	(245,367)	403,602
Tax effect of expenses that are not deductible in determining taxable profit	4,005	19
Tax effect of income not taxable in determining taxable profit	-	(730)
Tax effect of utilisation of tax losses not previously recognised	-	(95,431)
Change in unrecognised deferred tax assets	1,916	-
Group relief	260,952	-
Permanent capital allowances in excess of depreciation	-	(6,093)
Research and development tax credit	-	(132,368)
Other permanent differences	1,593	4,100
Under/(over) provided in prior years	-	(109,915)
	<u>23,099</u>	<u>63,184</u>

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Taxation (Continued)

9 Dividends

	2024 Per share £	2023 Per share £	2024 Total £	2023 Total £
Ordinary shares				
Interim paid	-	-	1,481,359	2,145,000

10 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Computer equipment £	Total £
Cost				
At 1 April 2023	-	-	50,461	50,461
Additions	215,179	97,846	21,689	334,714
At 31 March 2024	215,179	97,846	72,150	385,175
Depreciation and impairment				
At 1 April 2023	-	-	18,528	18,528
Depreciation charged in the year	7,330	13,290	20,642	41,262
At 31 March 2024	7,330	13,290	39,170	59,790
Carrying amount				
At 31 March 2024	207,849	84,556	32,980	325,385
At 31 March 2023	-	-	31,933	31,933

11 Fixed asset investments

	Notes	2024 £	2023 £
Investments in subsidiaries	12	100	100
Unlisted investments		6,948	6,948
		7,048	7,048

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.

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2024 are as follows:

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

12 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
Little Star Media USA Limited	England and Wales	Ordinary	100.00

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	837,859	2,270,209
Corporation tax recoverable	31,151	221,291
Other debtors	222,695	343,232
Prepayments and accrued income	389,573	51,466
	<u>1,481,278</u>	<u>2,886,198</u>

14 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	819,876	1,186,355
Taxation and social security	82,274	82,726
Other creditors	253,855	1,221
Accruals and deferred income	466,110	1,786,613
	<u>1,622,115</u>	<u>3,056,915</u>

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2024 £	Liabilities 2023 £
Balances:		
Accelerated capital allowances	<u>29,166</u>	<u>6,067</u>
Movements in the year:		2024 £
Liability at 1 April 2023		6,067
Charge to profit or loss		<u>23,099</u>
Liability at 31 March 2024		<u>29,166</u>

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

15 Deferred taxation (Continued)

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

16 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	156,098	128,660

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2024	2023
	£	£
Ordinary share capital		
Issued and fully paid		
64,127 Ordinary shares of 1p each	642	642
	642	642

18 Related party transactions

Transactions with related parties

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

Description of transaction	Income		Payments	
	2024	2023	2024	2023
	£	£	£	£
Accountancy fees from related parties with common directors	-	-	36,464	12,429

Other information

LITTLE STAR MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	263,797	20,027
Between two and five years	1,151,398	-
In over five years	1,570,225	-
	<u>2,985,420</u>	<u>20,027</u>

20 Ultimate controlling party

The immediate and ultimate parent company during the year was Wesson Marketing Limited, a company incorporated in England and Wales. Since the balance sheet date this has changed to Good Engine Limited.

The ultimate controlling party is R A Lawrence.

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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.