

Company registration number 05957310 (England and Wales)

LITTLE STAR MEDIA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

LITTLE STAR MEDIA LIMITED

COMPANY INFORMATION

Directors	R A Lawrence	(Appointed 11 October 2024)
	S M Collins	(Appointed 2 September 2024)
	Mr J Bellinger	(Appointed 6 August 2025)
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 2025

The directors present the strategic report for the year ended 31 March 2025.

Review of the business

The group continued its role as an online marketing agency specialising in the UK and US online gaming markets. The year was one of significant operational transformation, with the group undertaking a substantial restructuring programme designed to right-size the business, reduce cost, and reposition it for sustainable profitability. The group continues to leverage brand consistency and cross-platform scale to maximise reach and operator value.

The group reported an overall loss in the year. Material non-recurring restructuring costs incurred during the year further contributed to the reported loss. Notwithstanding this, the directors regard the structural changes made during the year and in 2025/26 as a necessary and value-creating step toward the profitability trajectory targeted for future years.

The results of the Group for the year, as set out on page 8, show a loss before tax of £1,441,598 (2024: profit of £798,772). Turnover for the year was £11,956,938 (2024: £16,736,993).

The regulatory landscape within the online gaming industry remained highly stringent throughout the year, with the UK Gambling Commission continuing to tighten responsible gambling and advertising standards. Against this backdrop, the company prioritised compliance investment and operational efficiency over volume growth.

The reduction in turnover from the prior year reflects deliberate portfolio rationalisation — exiting lower-margin and non-compliant operator relationships — as well as the broader market impact of regulatory change on affiliate revenue models. The company responded by investing in data analytics capability, campaign attribution infrastructure, and player segmentation, laying the groundwork for a more efficient and defensible revenue model.

Principal risks and uncertainties

The company continues to operate under a formal risk management framework addressing strategic, operational, and financial risks.

Regulatory risk remains the most significant facing the business. The continued evolution of UK Gambling Commission requirements around advertising, responsible gambling, and affiliate oversight requires ongoing investment in compliance monitoring and process. The directors and compliance function actively track regulatory developments to ensure timely and proactive adjustment.

Market and concentration risk has been actively managed through the diversification of operator partnerships and traffic channels. The company has reduced reliance on any single operator relationship and continued to develop its proprietary data and attribution capabilities to improve campaign resilience.

Liquidity risk has been managed through close oversight of working capital. The cost reduction programme implemented during the year has materially reduced the monthly cash consumption of the business, and the directors are satisfied that the company has adequate resources to continue operating for the foreseeable future.

Foreign currency risk arising from the U.S. subsidiary remains managed through foreign currency accounts, with exposure monitored regularly.

Key performance indicators

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

Financial KPIs

Units	2025	2024
Turnover (£m)	12.0	16.7
Loss before tax (£m)	(1.4)	0.7

LITTLE STAR MEDIA LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Future developments

The focus for the 2025/26 financial year is profitable growth and the realisation of benefits from the restructuring completed in 2024/25. Key strategic priorities include:

- Stabilising and growing UK affiliate revenue through optimised operator partnerships and a renewed focus on high-value player acquisition.
- Continuing to develop deposit-player acquisition campaigns, with enhanced attribution and EPC visibility informing channel investment decisions.
- Further embedding the data and insight infrastructure built during 2024/25 to drive more efficient marketing spend and improved conversion performance.
- Supporting the continued growth of the U.S. operations, which represent a meaningful and expanding component of group value.
- Maintaining a lean, high-performance operating model following the restructuring, with headcount and overhead structures calibrated to the current revenue base.

The directors remain confident in the Group's ability to return to profitability and in its long-term position as a leading affiliate marketing business in both the UK and U.S. online gaming markets.

On behalf of the board

R A Lawrence
Director

31 March 2026

LITTLE STAR MEDIA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The directors present their annual report and financial statements for the year ended 31 March 2025.

Principal activities

The principal activity of the company and group 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.

Ordinary dividends were paid amounting to £500,000. The directors do not recommend payment of a further dividend.

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	(Resigned 21 July 2025)
K Pulling	(Resigned 2 September 2024)
N G Jacobs	(Resigned 1 October 2024)
R A Lawrence	(Appointed 11 October 2024)
M Coombes	(Appointed 17 December 2024 and resigned 3 October 2025)
S M Collins	(Appointed 2 September 2024)
Mr J Bellinger	(Appointed 6 August 2025)

Future developments

The focus for the 2025/26 financial year is profitable growth and the realisation of benefits from the restructuring completed in 2024/25.

Auditor

The auditor, Mercer & Hole LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to groups and companies entitled to the medium-sized companies exemption.

On behalf of the board

R A Lawrence
Director

31 March 2026

LITTLE STAR MEDIA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

United Kingdom company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the group and parent company 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 group and parent company, and of the profit or loss of the group 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;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent 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 group and parent company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LITTLE STAR MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LITTLE STAR MEDIA LIMITED

Opinion

We have audited the financial statements of Little Star Media Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2025 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 March 2025 and of the group's 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 group and parent 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 group's and parent 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 (CONTINUED) TO THE MEMBERS OF LITTLE STAR MEDIA LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 group's and parent 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 group or parent 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 (CONTINUED) TO THE MEMBERS OF LITTLE STAR MEDIA LIMITED

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 parent 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 parent 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 parent company and the parent company's members as a body, 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 2026

LITTLE STAR MEDIA LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Turnover	3	11,956,938	16,736,993
Cost of sales		(7,506,226)	(10,764,191)
Gross profit		4,450,712	5,972,802
Administrative expenses		(5,880,098)	(5,214,406)
Operating (loss)/profit	4	(1,429,386)	758,396
Interest receivable and similar income	7	5,046	40,613
Interest payable and similar expenses	8	(17,258)	(237)
(Loss)/profit before taxation		(1,441,598)	798,772
Tax on (loss)/profit	9	14,984	(141,024)
(Loss)/profit for the financial year		(1,426,614)	657,748

(Loss)/profit for the financial year is all attributable to the owner of the parent company.

LITTLE STAR MEDIA LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	£	£
(Loss)/profit for the year	(1,426,614)	657,748
Other comprehensive income	-	-
Cash flow hedges gain arising in the year	-	-
Total comprehensive income for the year	(1,426,614)	657,748

Total comprehensive income for the year is all attributable to the owner of the parent company.

LITTLE STAR MEDIA LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		259,631		325,385
Investments	12		6,948		6,948
			<u>266,579</u>		<u>332,333</u>
Current assets					
Debtors	14	1,877,956		2,368,789	
Cash at bank and in hand		665,844		2,218,886	
		<u>2,543,800</u>		<u>4,587,675</u>	
Creditors: amounts falling due within one year	15	(1,565,870)		(1,733,901)	
Net current assets			<u>977,930</u>		<u>2,853,774</u>
Total assets less current liabilities			<u>1,244,509</u>		<u>3,186,107</u>
Provisions for liabilities					
Deferred tax liability	16	14,182		29,166	
		<u>(14,182)</u>		<u>(29,166)</u>	
Net assets			<u>1,230,327</u>		<u>3,156,941</u>
Capital and reserves					
Called up share capital	18		642		642
Share premium account			6,645		6,645
Capital redemption reserve			120		120
Profit and loss reserves			<u>1,222,920</u>		<u>3,149,534</u>
Total equity			<u>1,230,327</u>		<u>3,156,941</u>

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

The financial statements were approved by the board of directors and authorised for issue on 31 March 2026 and are signed on its behalf by:

R A Lawrence
Director

Company registration number 05957310 (England and Wales)

LITTLE STAR MEDIA LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		259,631		325,385
Investments	12		7,048		7,048
			<u>266,679</u>		<u>332,433</u>
Current assets					
Debtors	14	1,112,505		1,481,278	
Cash at bank and in hand		305,159		244,568	
		<u>1,417,664</u>		<u>1,725,846</u>	
Creditors: amounts falling due within one year	15	(4,611,071)		(1,622,115)	
Net current (liabilities)/assets			<u>(3,193,407)</u>		<u>103,731</u>
Total assets less current liabilities			<u>(2,926,728)</u>		<u>436,164</u>
Provisions for liabilities					
Deferred tax liability	16	14,182		29,166	
		<u>14,182</u>	<u>(14,182)</u>	<u>29,166</u>	<u>(29,166)</u>
Net (liabilities)/assets			<u>(2,940,910)</u>		<u>406,998</u>
Capital and reserves					
Called up share capital	18		642		642
Share premium account			6,645		6,645
Capital redemption reserve			120		120
Profit and loss reserves			<u>(2,948,317)</u>		<u>399,591</u>
Total equity			<u>(2,940,910)</u>		<u>406,998</u>

As permitted by section 408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £2,847,908 (2024 - £1,004,569 loss).

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 2026 and are signed on its behalf by:

R A Lawrence
Director

Company registration number 05957310 (England and Wales)

LITTLE STAR MEDIA LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2023		642	6,645	120	3,973,145	3,980,552
Year ended 31 March 2024:						
Profit and total comprehensive income		-	-	-	657,748	657,748
Dividends	10	-	-	-	(1,481,359)	(1,481,359)
Balance at 31 March 2024		642	6,645	120	3,149,534	3,156,941
Year ended 31 March 2025:						
Loss and total comprehensive income		-	-	-	(1,426,614)	(1,426,614)
Dividends	10	-	-	-	(500,000)	(500,000)
Balance at 31 March 2025		642	6,645	120	1,222,920	1,230,327

LITTLE STAR MEDIA LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2023		642	6,645	120	2,885,518	2,892,925
Year ended 31 March 2024:						
Loss and total comprehensive income for the year		-	-	-	(1,004,568)	(1,004,568)
Dividends	10	-	-	-	(1,481,359)	(1,481,359)
Balance at 31 March 2024		642	6,645	120	399,591	406,998
Year ended 31 March 2025:						
Loss and total comprehensive income		-	-	-	(2,847,908)	(2,847,908)
Dividends	10	-	-	-	(500,000)	(500,000)
Balance at 31 March 2025		642	6,645	120	(2,948,317)	(2,940,910)

LITTLE STAR MEDIA LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22				
		(1,140,868)		257,748	
Interest paid		(17,258)		(237)	
Income taxes refunded/(paid)		109,747		(219,030)	
Net cash (outflow)/inflow from operating activities		(1,048,379)		38,481	
Investing activities					
Purchase of tangible fixed assets		(9,709)		(334,714)	
Interest received		5,046		40,613	
Net cash used in investing activities			(4,663)		(294,101)
Financing activities					
Dividends paid to equity shareholders		(500,000)		(1,481,359)	
Net cash used in financing activities		(500,000)		(1,481,359)	
Net decrease in cash and cash equivalents		(1,553,042)		(1,736,979)	
Cash and cash equivalents at beginning of year		2,218,886		3,955,865	
Cash and cash equivalents at end of year		665,844		2,218,886	

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Company information

Little Star Media Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Suite 470-480 Exchange House, 450 Midsummer Boulevard, Milton Keynes, MK9 2EA.

The group consists of Little Star Media Limited and all of its subsidiaries.

1.1 Basis of preparation

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.

The 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 for parent company information presented within the consolidated financial statements:

- 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 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Little Star Media Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

The financial statements have been prepared on a going concern basis. During the year, the group undertook a reorganisation which resulted in Good Engine Limited becoming the ultimate parent company. This reorganisation gave rise to significant nonrecurring costs, which contributed materially to the loss reported for the year ended 31 March 2025.

Since the year end, the group has implemented a plan to reduce its cost base and improve trading performance. This has included redundancies and other cost saving measures, resulting in a reduction in fixed costs. The group has also seen an improvement in trading performance in recent months.

In making their assessment, the directors have prepared detailed trading forecasts covering the period to 31 March 2027. Although a formal cash flow forecast has not been prepared, the business is not capital intensive and a significant proportion of costs are variable, such that forecast profitability is considered a reasonable proxy for future cash generation. Based on these forecasts and the actions taken to date, the directors have a reasonable expectation that the group and the parent company have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

Accordingly, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.5 Revenue

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.

1.6 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% on cost
Plant and equipment	25% to 33% on cost
Computers	25% to 33% on cost

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 recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

1.9 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.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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 group 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 group after deducting all of its liabilities.

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.

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 Taxation

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

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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 group'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 if, and only if, there is 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.

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

As lessee

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 leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

3 Turnover and other revenue

	2025 £	2024 £
Turnover analysed by class of business		
Rendering of services	11,956,938	16,736,993

	2025 £	2024 £
Turnover analysed by geographical market		
United Kingdom	7,071,770	11,059,404
United States of America	4,885,168	5,677,589
	11,956,938	16,736,993

	2025 £	2024 £
Other revenue		
Interest income	5,046	40,613

4 Operating (loss)/profit

	2025 £	2024 £
Operating (loss)/profit for the year is stated after charging:		
Exchange losses	91,145	109,770
Fees payable to the group's auditor for the audit of the group's financial statements	15,750	15,000
Depreciation of tangible fixed assets	75,463	41,262
Operating lease charges	228,368	147,995

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

5 Employees

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

	Group 2025 Number	2024 Number	Company 2025 Number	2024 Number
Marketing	20	19	18	17
Compliance	3	3	3	3
Directors	2	3	2	3
Creatives	14	15	14	15
Development and analytics	20	17	20	17
Commercial	5	8	5	8
Finance	2	-	2	-
Total	66	65	64	63

Their aggregate remuneration comprised:

	Group 2025 £	2024 £	Company 2025 £	2024 £
Wages and salaries	3,085,322	3,288,912	3,085,322	3,288,912
Social security costs	325,671	352,750	325,671	352,750
Pension costs	161,010	156,098	161,010	156,098
	3,572,003	3,797,760	3,572,003	3,797,760

6 Directors' remuneration

	2025 £	2024 £
Remuneration for qualifying services	289,350	925,000
Company pension contributions to defined contribution schemes	13,106	17,119
	302,456	942,119

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

	2025 £	2024 £
Remuneration for qualifying services	209,802	277,781
Company pension contributions to defined contribution schemes	13,106	4,125

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

7 Interest receivable and similar income

	2025	2024
	£	£
Interest income		
Interest on bank deposits	4,682	28,019
Other interest income	364	12,594
	<u>5,046</u>	<u>40,613</u>

8 Interest payable and similar expenses

	2025	2024
	£	£
Other interest	17,258	237
	<u>17,258</u>	<u>237</u>

9 Taxation

	2025	2024
	£	£
Current tax		
UK corporation tax on profits for the current period	-	117,925
	<u>-</u>	<u>117,925</u>
Deferred tax		
Origination and reversal of timing differences	(14,984)	23,099
	<u>(14,984)</u>	<u>23,099</u>
Total tax (credit)/charge	<u>(14,984)</u>	<u>141,024</u>

The actual (credit)/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:

	2025	2024
	£	£
(Loss)/profit before taxation	(1,441,598)	798,772
	<u>(1,441,598)</u>	<u>798,772</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	(360,400)	199,693
Tax effect of expenses that are not deductible in determining taxable profit	33,260	4,005
Change in unrecognised deferred tax assets	310,700	1,916
Group relief	-	(66,183)
Other permanent differences	1,456	1,593
	<u>(14,984)</u>	<u>141,024</u>
Taxation (credit)/charge	<u>(14,984)</u>	<u>141,024</u>

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

10 Dividends

	2025 £	2024 £
Recognised as distributions to equity holders:		
Interim paid	500,000	1,481,359

11 Tangible fixed assets

Group	Leasehold improvements £	Plant and equipment £	Computers £	Total £
Cost				
At 1 April 2024	215,179	97,846	72,150	385,175
Additions	-	-	9,709	9,709
At 31 March 2025	215,179	97,846	81,859	394,884
Depreciation and impairment				
At 1 April 2024	7,330	13,290	39,170	59,790
Depreciation charged in the year	21,518	32,583	21,362	75,463
At 31 March 2025	28,848	45,873	60,532	135,253
Carrying amount				
At 31 March 2025	186,331	51,973	21,327	259,631
At 31 March 2024	207,849	84,556	32,980	325,385
Company				
	Leasehold improvements £	Plant and equipment £	Computers £	Total £
Cost				
At 1 April 2024	215,179	97,846	72,150	385,175
Additions	-	-	9,709	9,709
At 31 March 2025	215,179	97,846	81,859	394,884
Depreciation and impairment				
At 1 April 2024	7,330	13,290	39,170	59,790
Depreciation charged in the year	21,518	32,583	21,362	75,463
At 31 March 2025	28,848	45,873	60,532	135,253
Carrying amount				
At 31 March 2025	186,331	51,973	21,327	259,631
At 31 March 2024	207,849	84,556	32,980	325,385

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

12 Fixed asset investments

	Notes	Group 2025 £	2024 £	Company 2025 £	2024 £
Investments in subsidiaries	13	-	-	100	100
Unlisted investments		6,948	6,948	6,948	6,948
		<u>6,948</u>	<u>6,948</u>	<u>7,048</u>	<u>7,048</u>

Movements in fixed asset investments Group

Investments £

Cost or valuation

At 1 April 2024 and 31 March 2025

6,948

Carrying amount

At 31 March 2025

6,948

At 31 March 2024

6,948

Movements in fixed asset investments Company

Shares in subsidiaries £

Other investments £

Total £

Cost or valuation

At 1 April 2024 and 31 March 2025

100

6,948

7,048

Carrying amount

At 31 March 2025

100

6,948

7,048

At 31 March 2024

100

6,948

7,048

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2025 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Little Star Media USA Limited	478-480 Midsummer Boulevard, Milton Keynes, MK9 2EA	Ordinary	100.00

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

14 Debtors

	Group 2025	2024	Company 2025	2024
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,497,168	1,652,003	738,650	837,859
Corporation tax recoverable	-	97,334	-	31,151
Other debtors	134,705	222,695	127,772	222,695
Prepayments and accrued income	246,083	396,757	246,083	389,573
	<u>1,877,956</u>	<u>2,368,789</u>	<u>1,112,505</u>	<u>1,481,278</u>

15 Creditors: amounts falling due within one year

	Group 2025	2024	Company 2025	2024
	£	£	£	£
Trade creditors	522,679	986,786	488,588	819,876
Corporation tax payable	38,894	26,481	-	-
Other taxation and social security	454,519	82,274	454,519	82,274
Other creditors	74,350	98,710	3,290,816	253,855
Accruals and deferred income	475,428	539,650	377,148	466,110
	<u>1,565,870</u>	<u>1,733,901</u>	<u>4,611,071</u>	<u>1,622,115</u>

16 Deferred taxation

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

	Liabilities 2025	Liabilities 2024
	£	£
Group		
Accelerated capital allowances	<u>14,182</u>	<u>29,166</u>
	Liabilities 2025	Liabilities 2024
	£	£
Company		
Accelerated capital allowances	<u>14,182</u>	<u>29,166</u>

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

16 Deferred taxation (Continued)

	Group 2025 £	Company 2025 £
Movements in the year:		
Liability at 1 April 2024	29,166	29,166
Credit to profit or loss	(14,984)	(14,984)
Liability at 31 March 2025	<u>14,182</u>	<u>14,182</u>

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.

17 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>161,010</u>	<u>156,098</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

18 Share capital

Group and company	2025 Number	2024 Number	2025 £	2024 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	<u>64,127</u>	<u>64,127</u>	<u>642</u>	<u>642</u>

19 Related party transactions

Transactions with related parties

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

	Services provided 2025 £	2024 £
Group		
Entities with control, joint control or significant influence over the company	<u>492,724</u>	<u>-</u>

The related party transactions in the year relate to that of costs recharged to Little Star Media Limited by Good Engine Ltd for services provided.

LITTLE STAR MEDIA LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

20 Controlling party

The immediate and ultimate parent company is Good Engine Limited, a company incorporated in England and Wales.

The ultimate controlling party is R A Lawrence.

21 Contingent liabilities

The group is currently in dispute with a former technology supplier in relation to fees of approximately £100,000 claimed under a software services contract. The group disputes the amounts claimed on the basis that the supplier failed to deliver contracted platform functionality, and is pursuing a counterclaim in respect of losses arising from those failures and the subsequent suspension of services. The matter has been referred to legal proceedings.

At the reporting date the matter remains unresolved. Based on information available, the directors consider that it is not probable that a net liability will crystallise and accordingly no provision has been recognised in these financial statements. The directors will continue to monitor developments.

22 Cash (absorbed by)/generated from group operations

	2025 £	2024 £
(Loss)/profit after taxation	(1,426,614)	657,748
Adjustments for:		
Taxation (credited)/charged	(14,984)	141,024
Finance costs	17,258	237
Investment income	(5,046)	(40,613)
Depreciation and impairment of tangible fixed assets	75,463	41,262
Movements in working capital:		
Decrease in debtors	393,499	859,805
Decrease in creditors	(180,444)	(1,401,715)
Cash (absorbed by)/generated from operations	(1,140,868)	257,748

23 Analysis of changes in net funds - group

	1 April 2024 £	Cash flows £	31 March 2025 £
Cash at bank and in hand	2,218,886	(1,553,042)	665,844

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.