

# the7stars Group Holdings Limited

Annual Report and Financial Statements

For the year ended 31 March 2024

Company Registration No. 13121355 (England and Wales)

the7stars Group Holdings Limited  
Company Information

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<b>Directors</b>	J E Biggam G M Jones N J Maddison L R Mullins R C Murphy H Rose R Williams
<b>Company number</b>	13121355
<b>Registered office</b>	Floor 6-9 Bush House North West Wing 57 Aldwych London WC2B 4PJ
<b>Auditor</b>	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL

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# the7stars Group Holdings Limited

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# the7stars Group Holdings Limited

## Strategic Report

For the year ended 31 March 2024

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

### **Fair review of the business**

As detailed in the commentary for both the7stars and Bountiful Cow, the agencies billings grew by 16% versus the ad market of just 2%. This is a reflection of the two distinct and market-leading propositions and the continued ability of the group to attract new clients.

Turnover grew proportionately, as both agencies have invested in new products and services for the past three years, which continues to attract additional revenue from advertisers. Overheads remained high as both agencies made significant investments in new initiatives, products and services.

Strong cash balances, along with tight financial processes enabled the group to make significant interest and grow YOY PBT.

### **Principal risks and uncertainties**

The management team at the7stars Group has identified the following factors as major potential risks normally associated with media agencies in dynamic and changing markets. Some, such as innovation, quality service, staffing, are specific risks that require specific, identified actions to mitigate their effects. Others, such as the impact of competition, are areas addressed through strategic planning and operational management processes.

#### Cost inflation and legislative change

The Group's operational costs are affected by underlying cost inflation and legislative and fiscal policy changes in relation to, for example wages, rates and rent.

#### Competition in media industry

The Group operates in a highly competitive market and its failure to compete effectively could have a material adverse effect on its results.

#### Attracting and retaining key employees

The failure to hire, retain and motivate executives and other key employees could have a significant impact on its operations.

#### Failure or unavailability of operational infrastructure

Failure to provide services to meet customer requirements for innovation and quality could have adverse effect on its results.

### **Development and performance**

Sales and marketing: new and repeat business is being secured, new markets have been developed in line with the company's strategy, and key customer relationships are monitored on a regular basis.

High value service: the Group continues to invest in people and key partnership to offer the best possible service to the customers.

Health and Safety: the company continues to seek ways of ensuring that a safe and healthy working environment is progressively improved.

Environment: new methods of achieving greater environmental effectiveness are continually being examined.

# the7stars Group Holdings Limited

## Strategic Report (Continued)

For the year ended 31 March 2024

### Key performance indicators

Key financial performance indicators include the monitoring and management of profitability and monetary working capital.

Financial Data	2024	2023	Measure
Return on Capital	7.29%	8.14%	PAT/total assets less current liabilities
Current Ratio	1.03	1.00	Current assets: current liabilities
Operating Profit Margin	0.68%	2.82%	Operating profit/ Gross Profit
EBITDA Margin	6.55%	9.68%	EBITDA/ Gross Profit
Staff Cost Ratio	66.16%	64.05%	Employment costs/ Gross Profit
EBITDA (£)	2,392,273	3,089,054	

### SECTION 172(1) STATEMENT

#### Director duties

The Directors of the Group, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long term,
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others -The impact of the company's operations on the community and environment
- The desirability of the company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between shareholders of the company

As part of their induction, a Director is briefed on their duties so that they can fulfil their duties. As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct.

As Directors we fulfil our duties as follows :

#### **Risk management**

We effectively identify, evaluate, manage and mitigate the risk we face.

The management team has identified some factors as major potential risks normally associated with media agencies in dynamic and changing markets. Some, such as innovation, quality service, staffing, are specific risks that require specific, identified actions to mitigate their effects. Others, such as the impact of competition, are areas addressed through strategic planning and operational management processes.

#### **Our People**

The Group is committed to being a responsible business. Our behaviour is aligned with the expectations of our people. People are at the heart of our services. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we do business.

the7stars Group Holdings Limited  
Strategic Report (Continued)

For the year ended 31 March 2024

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**Our business relationships with customers, suppliers and others**

For our growth, we develop and maintain strong client relationships. We value all of our suppliers and have year on year contracts with our key suppliers. Managing these relationships is critical in ensuring the Group delivers on its strategy. Where these relationships are tested, steps are taken to ensure that they are addressed promptly and successfully.

**Community and environment**

Our plans take into account the impact of the company's operations on the community and environment and our wider social responsibilities. The Group's approach is to use its position of strength to create positive change for the people and communities with which it interacts.

**Our Shareholders**

The Board seeks to ensure that communications are clear and its actions are in accordance with the Group's strategic aims to promote the long term success of the Company. The Board is continually seeking ways in which to engage with shareholders and investors.

On behalf of the board

J E Biggam  
**Director**

21 November 2024

# the7stars Group Holdings Limited

## Directors' Report

For the year ended 31 March 2024

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

### **Principal activities**

The principal activity of the company and group continued to be that of advertising.

### **Directors**

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

J E Biggam  
G M Jones  
N J Maddison  
L R Mullins  
R C Murphy  
H Rose  
R Williams

### **Results and dividends**

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

### **Financial instruments**

#### ***Liquidity risk***

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

#### ***Foreign currency risk***

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

#### ***Credit risk***

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

# the7stars Group Holdings Limited

## Directors' Report (Continued)

For the year ended 31 March 2024

### Employee involvement

Our strategy encourages organic growth driven by selling services to our existing clients and winning new clients. To do this we develop and maintain strong client relationships. We value all of our suppliers and have year on year contracts with our key suppliers.

### Charitable donations and expenditure

During the year the Group made donations to charities registered in the UK amounting to £230,005 (2023: £207,060).

### Auditor

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Energy and carbon report

In line with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 our energy use and greenhouse gas (GHG) emissions are set out below.

The data relates to UK emissions for the 12-month period from 1 April 2023 to 31 March 2024.

We voluntarily include energy use and emissions data for Bountiful Cow Limited (a group member) which is not obliged under SECR.

	2024	2023
<b>Energy consumption</b>	<b>kWh</b>	<b>kWh</b>
Aggregate of energy consumption in the year	435,232	435,113
	<u>          </u>	<u>          </u>
	<b>2024</b>	<b>2023</b>
<b>Emissions of CO2 equivalent</b>	<b>metric tonnes</b>	<b>metric tonnes</b>
Scope 1 - direct emissions		
- Gas combustion	44.00	48.00
	<u>          </u>	<u>          </u>
	44.00	48.00
Scope 2 - indirect emissions		
- Electricity purchased	40.00	33.00
	<u>          </u>	<u>          </u>
Total gross emissions	84.00	81.00
	<u>          </u>	<u>          </u>
<b>Intensity ratio</b>		
tCO2e per square meter floor area	0.02	0.02
	<u>          </u>	<u>          </u>

### Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per square meter floor area, the recommended ratio for the sector.

# the7stars Group Holdings Limited

## Directors' Report (Continued)

For the year ended 31 March 2024

### **Measures taken to improve energy efficiency**

No energy efficiency actions have been taken during this reporting period.

### **the7stars Group Energy Use and Associated Greenhouse Gas Emissions: Company Breakdown**

	Electricity		Gas		Total	
	kWh	tco2e	kWh	tco2e	kWh	tco2e
<b>the7stars UK Ltd</b>	141,706	29.34	240,215	44.00	382,781	73.50
<b>Bountiful Cow Ltd</b>	52,452	10.86	-	-	52,452	10.90

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **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.

On behalf of the board

J E Biggam  
**Director**

21 November 2024

# the7stars Group Holdings Limited

## Independent Auditor's Report

To the Members of The7stars Group Holdings Limited

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### Opinion

We have audited the financial statements of (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise 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 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

the7stars Group Holdings Limited  
Independent Auditor's Report (Continued)

To the Members of The7stars Group Holdings Limited

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**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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.

the7stars Group Holdings Limited  
Independent Auditor's Report (Continued)

To the Members of The7stars Group Holdings Limited

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**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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

the7stars Group Holdings Limited  
Independent Auditor's Report (Continued)

To the Members of The7stars Group Holdings Limited

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- - We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
  - We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
  - We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
  - We inquired of management and those charged with governance as to any known instances of noncompliance or suspected non-compliance with laws and regulations.
  - Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Esther Carder (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

5 December 2024

**Chartered Accountants**  
**Statutory Auditor**

Charlotte Building  
17 Gresse Street  
London  
W1T 1QL

the7stars Group Holdings Limited  
Group Statement of Comprehensive Income  
For the year ended 31 March 2024

		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>£</b>	<b>as restated</b>
			<b>£</b>
<b>Turnover</b>	<b>4</b>	451,305,549	388,900,659
Cost of sales		(414,771,679)	(356,984,721)
		<u>36,533,870</u>	<u>31,915,938</u>
<b>Gross profit</b>			
Administrative expenses		(36,284,156)	(31,016,840)
		<u>249,714</u>	<u>899,098</u>
<b>Operating profit</b>	<b>5</b>		
Interest receivable and similar income		2,442,826	741,638
Interest payable and similar expenses	<b>9</b>	(388,247)	(413,528)
		<u>2,304,293</u>	<u>1,227,208</u>
<b>Profit before taxation</b>			
Tax on profit	<b>10</b>	(1,109,200)	11,632
		<u>1,195,093</u>	<u>1,238,840</u>
<b>Profit for the financial year</b>		<u><u>1,195,093</u></u>	<u><u>1,238,840</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

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

the7stars Group Holdings Limited  
Group Balance Sheet  
As at 31 March 2024

	Notes	2024		2023 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		11,956,381		13,664,435
Tangible assets	12		574,599		968,695
Investments	13		156,032		156,032
			<u>12,687,012</u>		<u>14,789,162</u>
<b>Current assets</b>					
Debtors	15	60,191,829		55,865,015	
Investments	16	-		3,932,660	
Cash at bank and in hand		54,484,975		25,426,942	
		<u>114,676,804</u>		<u>85,224,617</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(110,931,723)</u>		<u>(84,775,457)</u>	
<b>Net current assets</b>			<u>3,745,081</u>		<u>449,160</u>
<b>Total assets less current liabilities</b>			<u>16,432,093</u>		<u>15,238,322</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	18	-		(1,322)	
		<u>-</u>		<u>(1,322)</u>	
<b>Net assets</b>			<u>16,432,093</u>		<u>15,237,000</u>
<b>Capital and reserves</b>					
Called up share capital	21		224,473		224,473
Share premium account			12,322,803		12,322,803
Profit and loss reserves			3,884,817		2,689,724
<b>Total equity</b>			<u>16,432,093</u>		<u>15,237,000</u>

The financial statements were approved by the board of directors and authorised for issue on 21 November 2024 and are signed on its behalf by:

J E Biggam  
Director

the7stars Group Holdings Limited  
Company Balance Sheet  
As at 31 March 2024

		2024		2023 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	13		27,601,038		27,601,038
<b>Current assets</b>					
Debtors	15	465,153		465,153	
Investments	16	-		2,426,399	
Cash at bank and in hand		36,512		37,022	
			<u>501,665</u>	<u>2,928,574</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(7,351,326)</u>		<u>(17,989,054)</u>	
<b>Net current liabilities</b>			<u>(6,849,661)</u>	<u>(15,060,480)</u>	
<b>Net assets</b>			<u>20,751,377</u>	<u>12,540,558</u>	
<b>Capital and reserves</b>					
Called up share capital	21		224,473		224,473
Share premium account			12,322,803		12,322,803
Profit and loss reserves			8,204,101		(6,718)
<b>Total equity</b>			<u>20,751,377</u>		<u>12,540,558</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £8,210,819 (2023 - £6,718 loss).

The financial statements were approved by the board of directors and authorised for issue on 21 November 2024 and are signed on its behalf by:

J E Biggam  
**Director**

Company Registration No. 13121355 (England and Wales)

the7stars Group Holdings Limited  
Group Statement of Changes in Equity  
For the year ended 31 March 2024

	Share capital	Share premium loss reserves account	Profit and reserves	Total
	£	£	£	£
<b>As restated for the period ended 31 March 2023:</b>				
<b>Balance at 1 April 2022</b>	224,473	12,322,803	2,486,949	15,034,225
Effect of prior period adjustment	-	-	(1,036,065)	(1,036,065)
<b>As restated</b>	<u>224,473</u>	<u>12,322,803</u>	<u>1,450,884</u>	<u>13,998,160</u>
<b>Year ended 31 March 2023:</b>				
Profit and total comprehensive income for the year	-	-	1,238,840	1,238,840
<b>Balance at 31 March 2023</b>	<u>224,473</u>	<u>12,322,803</u>	<u>2,689,724</u>	<u>15,237,000</u>
<b>Year ended 31 March 2024:</b>				
Profit and total comprehensive income for the year	-	-	1,195,093	1,195,093
<b>Balance at 31 March 2024</b>	<u><u>224,473</u></u>	<u><u>12,322,803</u></u>	<u><u>3,884,817</u></u>	<u><u>16,432,093</u></u>

the7stars Group Holdings Limited  
 Company Statement of Changes in Equity  
 For the year ended 31 March 2024

	Share capital	Share premium loss account	Profit and reserves	Total
	£	£	£	£
<b>As restated for the period ended 31 March 2023:</b>				
<b>Balance at 1 April 2022</b>	224,473	12,322,803	-	12,547,276
<b>Year ended 31 March 2023:</b>				
Loss and total comprehensive income for the year	-	-	(6,718)	(6,718)
<b>Balance at 31 March 2023</b>	224,473	12,322,803	(6,718)	12,540,558
<b>Year ended 31 March 2024:</b>				
Profit and total comprehensive income for the year	-	-	8,210,819	8,210,819
<b>Balance at 31 March 2024</b>	224,473	12,322,803	8,204,101	20,751,377

the7stars Group Holdings Limited  
Group Statement of Cash Flows  
For the year ended 31 March 2024

	Notes	2024		2023 as restated	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	25		34,370,339		(8,675,564)
Interest paid			(99,736)		(413,528)
Income taxes paid			(8,332,216)		(369,531)
<b>Net cash inflow/(outflow) from operating activities</b>			25,938,387		(9,458,623)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(40,409)		(149,996)	
(Investment) / repayment of term deposit accounts	fixed	3,932,660		(3,932,660)	
Payment of deferred consideration		(2,570,076)		(3,971,326)	
Interest received		1,797,471		741,638	
<b>Net cash generated from/(used in) investing activities</b>			3,119,646		(7,312,344)
<b>Net increase/(decrease) in cash and cash equivalents</b>			29,058,033		(16,770,967)
Cash and cash equivalents at beginning of year			25,426,942		42,197,909
<b>Cash and cash equivalents at end of year</b>			54,484,975		25,426,942

the7stars Group Holdings Limited  
Notes to the Group Financial Statements  
For the year ended 31 March 2024

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**1 Accounting policies**

**Company information**

the7stars Group Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Floor 6-9 Bush House, North West Wing, 57 Aldwych, London, WC2B 4PJ.

The group consists of the7stars Group Holdings Limited and all of its subsidiaries.

**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.

**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.

**1.3 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company the7stars Group Holdings 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 2024.

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.

**1.4 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)

For the year ended 31 March 2024

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**1 Accounting policies**

**(Continued)**

**1.5 Turnover**

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

**Commissions on media**

Commissions are recognised as income when the related media is aired. Where revenue has been earned before the end of the accounting period but it has not been billed, revenue is accrued into the financial statements.

**Retainer income**

Retainer income relates to fees for services performed during a contractual period. These are recognised straight line on a monthly basis over the contract period as they cannot be directly attributed to a specific cost.

**Performance related fees**

Where it is possible to reliably estimate the amount, income is accrued in respect of performance related fees that relate to work done in the financial year. Where it is not possible to reliably estimate income is recognised upon notification from the customer that the work has been completed and the work can be invoiced.

When the outcome of a transaction can be estimated reliably, turnover from advertising space and management or media work is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to when services are rendered.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Where possible, income is accrued in respect of performance related fees received post year end relating to income earned in the year. This is the earliest opportunity by which the firm obtains the right to consideration in exchange for its performance under these contracts by way of confirmation from the customer. It is measured at the fair value of the right to consideration.

**1.6 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

**1.7 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	Lease term
Fixtures and fittings	25% straight line
Computers	33.33% straight line

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)

For the year ended 31 March 2024

---

**1 Accounting policies**

**(Continued)**

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.

**1.8 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.

**1.9 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

**1.10 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.

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)

For the year ended 31 March 2024

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**1 Accounting policies**

**(Continued)**

**1.11 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.

***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.

**1.12 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.

**1.13 Taxation**

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

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)  
For the year ended 31 March 2024

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**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.

R&D tax credits are recognised upon their cash receipt.

**1.14 Retirement benefits**

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

**1.15 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 leased asset are consumed.

**1.16 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.

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)  
For the year ended 31 March 2024

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**2 Change in accounting policy**

The company introduced a media writeback policy during the financial year.

The policy involves an aging analysis of media accruals, with writebacks recognised after a specified number of years based on the percentage of invoices received against outstanding media balances.

While the policy provides for systematic recognition of writebacks based on historical aging data, management may exercise judgement in specific cases. If new or specific information becomes available in relation to particular balances, the standard writeback process may be overridden to ensure that the financial statements present an accurate reflection of those balances.

The introduction of the media writeback policy resulted in an overall writeback of £577,251 across the group, which has been recognised in the profit and loss account. The adjustment is related to media costs accrued in prior periods but no longer expected to be payable.

Media writebacks for the year ended 31 March 2024 were immaterial to the financial statements.

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)

For the year ended 31 March 2024

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**3 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.

**Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

*i. Impairment of investments*

The recoverable amount of investments is based on future cash flows for the individual investments. In determining whether any impairment is required, management makes a number of estimates in respect of future cash flows and future earnings growth. Following their assessment and review, the directors have determined no impairment is necessary.

*ii. Revenue recognition*

Retainer income relates to annual fees for media services incurred during a contractual period. These are recognised straight-line on a monthly basis as they cannot be directly attributed to a specific cost.

Performance related fees relate to fees with attached criteria to be recognised. Where it is possible to reliably estimate the amount, income is accrued in respect of performance related fees that relate to work done in the financial year. Where it is not possible to reliably estimate income is recognised upon notification from the customer that the work has been completed and the work can be invoiced.

*iii. Dilapidations provision*

Management have estimated that there will be no cost upon exiting their lease and have therefore taken the view not to include a dilapidations provision in the accounts.

*iv. Impairment of goodwill*

The value of goodwill is based on future cash flows for the investments held by the parent company. In determining whether any impairment is required, management makes a number of estimates in respect of future cash flows and future earnings growth. Following their assessment and review, the directors have determined no impairment is necessary.

*v. Media writeback policy*

The company's media writeback policy involves judgements regarding the timing and amount of accrual writebacks. Based on an aging analysis, writebacks are recognised after a specified period, determined by the percentage of invoices received against outstanding balances.

Management may override the standard process if specific information becomes available that affects the expected settlement of certain balances. These judgements can significantly impact the recognition of writebacks in the income statement.

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)  
For the year ended 31 March 2024

**4 Turnover and other revenue**

The turnover and profit before taxation are attributable to the one principal activity of the group.

	<b>2024</b>	<b>2023</b>
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	341,130,682	268,043,733
Europe	85,013,813	97,505,653
Rest of the world	25,161,054	23,351,273
	<u>451,305,549</u>	<u>388,900,659</u>
	<b>2024</b>	<b>2023</b>
	£	£
<b>Other revenue</b>		
Interest income	2,442,826	741,638
	<u>2,442,826</u>	<u>741,638</u>

The Group acts as principal on media sales, with net sales after media discount but inclusive of commission earned included in the financial statements as Turnover. Commission earned on media sales by the Group is represented as gross profit in the financial statements.

The Group's gross turnover for the year which is the billable amount before media discount was £521,151,055 (2023: £430,324,761).

**5 Operating profit**

	<b>2024</b>	<b>2023</b>
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	24,867	(693,618)
Research and development costs	1,930,316	1,820,686
Depreciation of owned tangible fixed assets	434,505	481,902
Amortisation of intangible assets	1,708,054	1,708,054
Operating lease charges	1,303,679	1,315,450
	<u>2,371,361</u>	<u>2,719,600</u>

**6 Auditor's remuneration**

	<b>2024</b>	<b>2023</b>
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	30,000	38,600
Audit of the financial statements of the company's subsidiaries	211,038	109,235
	<u>241,038</u>	<u>147,835</u>

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)

For the year ended 31 March 2024

**7 Employees**

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

	<b>Group 2024 Number</b>	<b>2023 Number</b>	<b>Company 2024 Number</b>	<b>2023 Number</b>
Management	10	11	7	7
Administration	21	20	-	-
Client Team	142	149	-	-
Specialist Team (supporting client team)	158	124	-	-
Total	<u>331</u>	<u>304</u>	<u>7</u>	<u>7</u>

Their aggregate remuneration comprised:

	<b>Group 2024 £</b>	<b>2023 £</b>	<b>Company 2024 £</b>	<b>2023 £</b>
Wages and salaries	20,699,895	17,445,691	-	-
Social security costs	2,461,690	2,156,822	-	-
Pension costs	1,008,766	840,162	-	-
	<u>24,170,351</u>	<u>20,442,675</u>	<u>-</u>	<u>-</u>

**8 Directors' remuneration**

	<b>2024 £</b>	<b>2023 £</b>
Remuneration for qualifying services	1,801,667	1,665,000
Company pension contributions to defined contribution schemes	90,083	83,433
Bonus	-	(492,123)
	<u>1,891,750</u>	<u>1,748,433</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2023 - 7).

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)  
For the year ended 31 March 2024

**8 Directors' remuneration**

**(Continued)**

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

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	316,343	288,333
Company pension contributions to defined contribution schemes	15,667	14,417
	<u>332,010</u>	<u>302,750</u>

**9 Interest payable and similar expenses**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Other finance costs:</b>		
Other interest	388,247	413,528
	<u>388,247</u>	<u>413,528</u>

**10 Taxation**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,153,303	620,477
Adjustments in respect of prior periods	-	(628,600)
	<u>1,153,303</u>	<u>(8,123)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(44,103)	(21,142)
Previously unrecognised tax loss, tax credit or timing difference	-	17,633
	<u>(44,103)</u>	<u>(3,509)</u>
<b>Total tax charge/(credit)</b>	<u>1,109,200</u>	<u>(11,632)</u>

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)  
For the year ended 31 March 2024

**10 Taxation**

**(Continued)**

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

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Profit before taxation	2,304,293	1,227,208
	<u>                    </u>	<u>                    </u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)</i>	576,073	233,170
Tax effect of expenses that are not deductible in determining taxable profit	50,328	33,084
Tax effect of income not taxable in determining taxable profit	(5,961)	-
Adjustments in respect of prior years	-	(628,618)
Depreciation on assets not qualifying for tax allowances	488,760	-
Amortisation on assets not qualifying for tax allowances	-	362,441
Deferred tax adjustments in respect of prior years	-	18,569
Remeasurement of deferred tax for changes in tax rates	-	2,590
Movement in deferred tax not recognised	-	(32,868)
	<u>                    </u>	<u>                    </u>
Taxation charge/(credit)	1,109,200	(11,632)
	<u>                    </u>	<u>                    </u>

**11 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2023 and 31 March 2024	17,080,543
	<u>                    </u>
<b>Amortisation and impairment</b>	
At 1 April 2023	3,416,108
Amortisation charged for the year	1,708,054
	<u>                    </u>
At 31 March 2024	5,124,162
	<u>                    </u>
<b>Carrying amount</b>	
At 31 March 2024	11,956,381
	<u>                    </u>
At 31 March 2023	13,664,435
	<u>                    </u>

The company had no intangible fixed assets at 31 March 2024 or 31 March 2023.

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)  
For the year ended 31 March 2024

**12 Tangible fixed assets**

Group	Leasehold improvements	Fixtures and fittings	Computers	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2023	1,649,910	498,768	851,962	3,000,640
Additions	2,325	-	38,084	40,409
At 31 March 2024	1,652,235	498,768	890,046	3,041,049
<b>Depreciation and impairment</b>				
At 1 April 2023	998,846	419,874	613,225	2,031,945
Depreciation charged in the year	247,153	31,539	155,813	434,505
At 31 March 2024	1,245,999	451,413	769,038	2,466,450
<b>Carrying amount</b>				
At 31 March 2024	406,236	47,355	121,008	574,599
At 31 March 2023	651,064	78,894	238,737	968,695

The company had no tangible fixed assets at 31 March 2024 or 31 March 2023.

**13 Fixed asset investments**

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Investments in subsidiaries	14	-	-	27,601,038	27,601,038
Unlisted investments		156,032	156,032	-	-
		156,032	156,032	27,601,038	27,601,038

**Movements in fixed asset investments**

Group	Investments £
<b>Cost or valuation</b>	
At 1 April 2023 and 31 March 2024	156,032
<b>Carrying amount</b>	
At 31 March 2024	156,032
At 31 March 2023	156,032

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)  
For the year ended 31 March 2024

**13 Fixed asset investments** **(Continued)**

<b>Movements in fixed asset investments</b>	<b>Shares in subsidiaries</b>
<b>Company</b>	<b>£</b>
<b>Cost or valuation</b>	
At 1 April 2023 and 31 March 2024	27,601,038
<b>Carrying amount</b>	
At 31 March 2024	27,601,038
At 31 March 2023	27,601,038

**14 Subsidiaries**

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

<b>Name of undertaking</b>	<b>Address</b>	<b>Nature of business</b>	<b>Class of shares held</b>	<b>% Held</b>	
				<b>Direct</b>	<b>Indirect</b>
the7stars Holdings Limited	1	Holding company	Ordinary shares	100.00	-
the7stars UK Limited	1	Advertising	Ordinary shares		- 100.00
Bountiful Cow Limited	1	Advertising	Ordinary shares		- 100.00
8th Wonder Films Limited	1	Advertising	Ordinary shares		- 100.00
Local Planet UK Limited	1	Dormant	Ordinary Shares		- 51.00

Registered office addresses (all UK unless otherwise indicated):

1 Floor 6-9 Bush House, North West Wing, 57 Aldwych, London, WC2B 4PJ

the7stars Holdings Limited, 8th Wonder Films Limited and Local Planet UK are exempt from audit by virtue of s479A of Companies Act 2006.

the7stars Group Holdings Limited  
Notes to the Group Financial Statements (Continued)

For the year ended 31 March 2024

**15 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	31,354,329	36,622,733	-	-
Tax debtor	9,402,444	919	446,653	-
Other debtors	142,814	3,994,355	18,500	18,500
Prepayments and accrued income	19,244,630	10,052,991	-	-
	<u>60,144,217</u>	<u>50,670,998</u>	<u>465,153</u>	<u>18,500</u>
<b>Amounts falling due after more than one year:</b>				
Tax debtor	-	5,189,186	-	446,653
Deferred tax asset (note 18)	47,612	4,831	-	-
	<u>47,612</u>	<u>5,194,017</u>	<u>-</u>	<u>446,653</u>
<b>Total debtors</b>	<u>60,191,829</u>	<u>55,865,015</u>	<u>465,153</u>	<u>465,153</u>

**16 Current asset investments**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Short term deposits	-	3,932,660	-	2,426,399
	<u>-</u>	<u>3,932,660</u>	<u>-</u>	<u>2,426,399</u>

**17 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	40,840,530	32,164,308	-	-
Amounts owed to group undertakings	-	-	4,822,479	13,006,803
Corporation tax payable	2,199,656	5,191,268	446,653	446,653
Other taxation and social security	1,660,774	9,496	-	-
Other creditors	4,765,735	7,047,598	1,968,222	4,498,880
Accruals and deferred income	61,465,028	40,362,787	113,972	36,718
	<u>110,931,723</u>	<u>84,775,457</u>	<u>7,351,326</u>	<u>17,989,054</u>

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For the year ended 31 March 2024

**18 Deferred taxation**

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

<b>Group</b>	<b>Liabilities</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Assets</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	-	-	(26,670)	(2,608)
Short term timing differences	-	1,322	74,282	7,439
	<u>-</u>	<u>1,322</u>	<u>47,612</u>	<u>4,831</u>
	<u><u>-</u></u>	<u><u>1,322</u></u>	<u><u>47,612</u></u>	<u><u>4,831</u></u>

The company has no deferred tax assets or liabilities.

<b>Movements in the year:</b>	<b>Group</b>	<b>Company</b>
	<b>2024</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Asset at 1 April 2023	(3,509)	-
Credit to profit or loss	(44,103)	-
	<u>(47,612)</u>	<u>-</u>
Asset at 31 March 2024	<u><u>(47,612)</u></u>	<u><u>-</u></u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to timing differences between the accounting and tax treatment of certain expenses. 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.

**19 Retirement benefit schemes**

<b>Defined contribution schemes</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	1,008,766	840,162
	<u>1,008,766</u>	<u>840,162</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.

At the year end the consolidated group pension liability was £9,432 (2023: £9,496).

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For the year ended 31 March 2024

**20 Share-based payment transactions**  
**Group**

	Number of share options		Weighted average exercise price	
	2024 Number	2023 Number	2024 £	2023 £
Outstanding at 1 April 2023	-	-	-	-
Granted	255,200	-	0.42	-
Forfeited	(15,100)	-	0.42	-
	<u>240,100</u>	<u>-</u>	<u>0.42</u>	<u>-</u>
Outstanding at 31 March 2024	<u>240,100</u>	<u>-</u>	<u>0.42</u>	<u>-</u>
Exercisable at 31 March 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 March 2024 had an exercise price of £0.42, and a remaining contractual life of up to 10 years.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioral considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

No share based payment reserve or expense has been created for these options. A first round of options were granted in June 2023. The fair value of the options at grant date were immaterial and therefore no accounting transactions were recorded for their grant. The options are only exercisable on a sale event of the company, and therefore none are exercisable at either year end date.

Post year end, the company issued a further 6,000 shares in June 2024 with an exercise price of £0.59 and a contractual length of 10 years.

**21 Share capital**

Group and company	2024	2023	2024	2023
Ordinary share capital	Number	Number	£	£
<b>Issued and fully paid</b>				
Ordinary shares of 1p each	<u>10,000,000</u>	<u>10,000,000</u>	<u>100,000</u>	<u>100,000</u>

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For the year ended 31 March 2024

21 Share capital

(Continued)

	2024 Number	2023 Number	2024 £	2023 £
<b>Preference share capital Issued and fully paid</b>				
Ordinary shares of 1p each	12,447,275	12,447,275	124,473	124,473
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Preference shares classified as equity			124,473	124,473
			<u>                    </u>	<u>                    </u>
<b>Total equity share capital</b>			224,473	224,473
			<u>                    </u>	<u>                    </u>

22 Operating lease commitments

**Lessee**

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

	Group 2024 £	2023 £	Company 2024 £	2023 £
Within one year	1,591,454	1,515,544	-	-
Between two and five years	1,152,965	2,449,852	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	2,744,419	3,965,396	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

23 Related party transactions

**Remuneration of key management personnel**

The remuneration of key management personnel other than directors is as follows.

	2024 £	2023 £
Aggregate compensation	731,953	437,693
	<u>                    </u>	<u>                    </u>

**Other information**

As at 31 March 2024, the following amounts were owed to key management personnel of the company:

During the year amounts owed to the directors of £3,971,236 were repaid resulting in an outstanding creditor at 31 March 2024 of £1,968,222 (2023: £4,498,880).

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For the year ended 31 March 2024

**24 Controlling party**

The directors consider that the company has no individual ultimate controlling party.

**25 Cash generated from/(absorbed by) group operations**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	1,195,093	1,238,840
<b>Adjustments for:</b>		
Taxation charged/(credited)	1,109,200	(11,632)
Finance costs	388,247	413,528
Investment income	(2,442,826)	(741,638)
Amortisation and impairment of intangible assets	1,708,054	1,708,054
Depreciation and impairment of tangible fixed assets	434,505	481,902
<b>Movements in working capital:</b>		
Decrease in debtors	548,623	656,911
Increase/(decrease) in creditors	31,429,443	(12,421,529)
<b>Cash generated from/(absorbed by) operations</b>	<u>34,370,339</u>	<u>(8,675,564)</u>

**26 Analysis of changes in net funds - group**

	<b>1 April 2023</b>	<b>Cash flows 31 March 2024</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	25,426,942	29,058,033	54,484,975
	<u>25,426,942</u>	<u>29,058,033</u>	<u>54,484,975</u>

**27 Prior period adjustment**

**Reconciliation of changes in equity - group**

		<b>1 April</b>	<b>31 March</b>
		<b>2022</b>	<b>2023</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Adjustments to prior year</b>			
Accruals	1	(1,036,065)	(1,036,065)
Equity as previously reported		15,034,225	16,273,065
Equity as adjusted		<u>13,998,160</u>	<u>15,237,000</u>
<b>Analysis of the effect upon equity</b>			
Profit and loss reserves		<u>(1,036,065)</u>	<u>(1,036,065)</u>

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**27 Prior period adjustment**

**(Continued)**

**Reconciliation of changes in equity - company**

The prior period adjustments do not give rise to any effect upon equity.

**Notes to reconciliation**

The prior year figures have been restated due to the following errors identified:

**1. Historic media debtors balances written off this year but relating to periods older than 31 March 2023.**

This has resulted in a decrease in retained earnings of £1,036,065 and an increase in accruals of £1,036,065.