

REGISTRAR OF COMPANIES

COMPANY NO. 13121355

THE7STARS GROUP HOLDINGS LIMITED

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022

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COMPANIES HOUSE

GOLDWYNS
CHARTERED ACCOUNTANTS
STATUTORY AUDITORS
109 BAKER STREET
LONDON W1U 6RP

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

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FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

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**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**COMPANY INFORMATION
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

DIRECTORS: J E BIGGAM
G M JONES
N J MADDISON
L R MULLINS
R C MURPHY
H ROSE
R WILLIAMS

REGISTERED OFFICE: FLOOR 6 - 9 BUSH HOUSE NORTH WEST WING
57 ALDWYCH
LONDON
WC2B 4PJ

REGISTERED NUMBER: 13121355 (England and Wales)

**SENIOR STATUTORY
AUDITOR:** MARTIN MYERS FCA

AUDITORS: GOLDWYNS
CHARTERED ACCOUNTANTS
STATUTORY AUDITORS
109 BAKER STREET
LONDON
W1U 6RP

BANKERS: BARCLAYS BANK PLC
27th FLOOR
1 CHURCHILL PLACE
LONDON
E14 5HP

SOLICITORS: LEWIS SILKIN LLP
5 CHANCERY LANE
CLIFFORD'S INN
LONDON
EC4A 1BL

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**GROUP STRATEGIC REPORT
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

The directors present their strategic report of the company and the group for the period 8 January 2021 to 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was that of a Holding company.

REVIEW OF BUSINESS

The results for the year and financial position of the Group are as shown in the annexed financial statements.

2021/2022 has been another year of growth for the7stars Group. We have recovered fully from the advertising downturn caused by the pandemic, attracted new business, set up successful new services and retained our strong market positioning.

There was a marked increase in new business opportunities during the period and new business wins during the period were significant - including Bensons for Beds, AG Barr, Kopparberg, Kao and N Brown. Meanwhile, client retention was above 90%, resulting in overall billings growth considerably ahead of the industry average.

Our revenues from "non-core" activities continued to grow. These include creative and production services (branded Supernova) as well as data and tech consultancy (13 Minutes), in addition to Insight, Marketing Effectiveness and other strategic services.

The agency continued to win awards - both for our client work and in recognition of our strong culture. We were awarded an Advertising Effectiveness Accreditation by our industry body the Institute of Practitioners in Advertising, as well as All-In Champion status for our DE&I initiatives.

Our strong reputation for culture within the agency group has enabled us to perform well in the industry-wide battle for talent, retaining 100% of our Senior Leadership Team and attracting new top talent including a new CEO at Bountiful Cow.

We have continued to control our costs well and have good financial controls and protocols in place.

As we look ahead, our forecasts remain strong both for the advertising market and for our opportunity to attract new clients, especially those who are attracted by our independence and our strong agency culture.

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.

Key areas of strategic 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.

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**GROUP STRATEGIC REPORT
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

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.

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

	2022	Measure
Financial Data		
Return on capital	10.66%	Profit after tax/total assets less current liabilities
Current ratio	1.08	Current assets: current liabilities

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**GROUP STRATEGIC REPORT
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

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.

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.

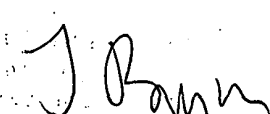
Community and environment

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

Date: 
.....

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**REPORT OF THE DIRECTORS
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

The directors present their report with the financial statements of the company and the group for the period 8 January 2021 to 31 March 2022.

INCORPORATION

The group was incorporated on 8 January 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the period under review was that of Holding company.

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2022.

DIRECTORS

The directors who have held office during the period from 8 January 2021 to the date of this report are as follows:

J E BIGGAM - appointed 8 January 2021
G M JONES - appointed 8 January 2021
N J MADDISON - appointed 8 January 2021
L R MULLINS - appointed 8 January 2021
R C MURPHY - appointed 8 January 2021
H ROSE - appointed 8 January 2021
R WILLIAMS - appointed 8 January 2021

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

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 company has sufficient liquid resources to meet the operating needs of the businesses.

Foreign currency risk:

The Group's foreign currency exposure arises from trading with overseas companies. Group policy permits but does not demand that this exposure is hedged in order to fix the cost in Sterling. The Group takes advantage of natural trading hedges to minimise such foreign currency exposure.

Credit risk:

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the board. The Group has a whole turnover credit insurance policy.

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.

CHARITABLE DONATIONS AND EXPENDITURE

During the year the Company made donations to charities registered in the UK amounting to £241,761.

DISABLED PERSONS

The Group gives full and fair consideration to applications from employments from disabled persons and has an established policy to encourage their employment whenever it is practicable bearing in mind the requirements of the job and having regard to their particular aptitudes and abilities.

Where an employee becomes disabled during the course of his or her employment, every reasonable effort is made to find suitable alternative employment within the Group and re-training is given if this is necessary.

The Group continues to train and encourage the career development and promotion of disabled persons in their employment.

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**REPORT OF THE DIRECTORS
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

ENGAGEMENT WITH EMPLOYEES

The Group is proud of its record of managing employee relations and believes that the structure of individual and collective consultation and negotiation is best developed at a local level. Over the years, the Group has been proactive in providing employees with information on matters of concern to them as employees and employee feedback is invited. There is the use of internal communications and presentations by senior management team to all employees in the Group. These mechanisms ensure employees' views are considered in decision-making and that they have a common awareness of Group strategy, matters of concern to them and the financial and economic factors affecting the performance of the Group. Participation by staff in the success of the Group is encouraged by the availability of bonus arrangements for senior management, which effectively aligns their interests with those of shareholders by requiring that Group-level financial performance criteria are achieved.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

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.

STREAMLINED ENERGY AND CARBON REPORTING

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 2021 to 31 March 2022.

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

the7stars Group Energy Use and Associated Greenhouse Gas Emissions

	April 2021-March 2022	April 2020-March 2021
Total Energy consumption (kWh)	207,248	446,706
Emissions from combustion of gas (Scope 1) (tCO ₂ e)	4	64
Emissions from purchased electricity (Scope 2) (tCO ₂ e)	39	23
Total gross emissions (tCO₂e)	43	87
tCO₂e per square meter floor area	0.013	0.0258
Total Net Emissions (accounting for renewable energy purchases) (tCO₂e)	4	87

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

The regulator advises that a group SECR report should state how the data reported relates to the subsidiaries covered by the group report. Below provides a breakdown by company based on the data provided.

	Electricity		Gas		Total kWh	Total tco20e
	kWh	tco2e	kWh	tco2e		
the7Stars						
UK Ltd	124,550	26.45	21,974	4.02	146,524	30.47
Bountiful Cow Ltd	60,724	12.89	0	0	60,724	12.89

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**REPORT OF THE DIRECTORS
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

Quantification and Reporting Methodology:

The boundaries of this report are based on operational control. We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only that come under the operational control boundary. The 2021 UK Government GHG Conversion Factors for Company Reporting published by the UK Department for Environment Food & Rural Affairs (DEFRA) are used to convert energy use in our operations to emissions of CO₂e. Carbon emission factors for purchased electricity calculated according to the 'location-based grid average' method. This reflects the average emission of the grid where the energy consumption occurs. Data sources include billing, invoices and the Group's internal systems. Gas consumption figures for the entire building have been apportioned accordingly to the percentage of the building occupied by the7Stars Group (36.17%). We purchase 100% renewable electricity for our sites and have included an additional net emissions figure calculated using market-based factors to account for this in our report above.

Intensity Ratio

We have chosen to report our gross emissions against square meters of floor area. The value for the intensity ratio was 0.015 tCO₂e per square meter of floor area.

Energy Efficiency Action:

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

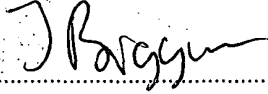
**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**REPORT OF THE DIRECTORS
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

AUDITORS

The auditors, GOLDWYNS, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
J E BIGGAM - Director

Date: 28/9/2022
.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

Opinion

We have audited the financial statements of the7stars Group Holdings Limited and Subsidiaries (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Cash Flow Statement and Notes to the Cash Flow Statements, Notes to the Financial Statements, including a summary of 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 of the parent company affairs as at 31 March 2022 and of the group's profit for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 the 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 the audit:

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 Statement of Directors' Responsibilities set out on page seven, 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 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 the 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 the parent company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

Auditors' 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 a Report of the Auditors 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:

- 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 purpose 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 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 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

MARTIN MYERS FCA (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF GOLDWYNS
CHARTERED ACCOUNTANTS
STATUTORY AUDITORS
109 BAKER STREET
LONDON
W1U 6RP

Date:  

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED
INCOME STATEMENT
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

	Notes	£	£
TURNOVER	3		434,343,767
Cost of sales			<u>402,966,277</u>
GROSS PROFIT			31,377,490
Distribution costs		16,333,352	
Administrative expenses		<u>12,087,312</u>	
			<u>28,420,664</u>
			2,956,826
Other operating income			<u>649,339</u>
OPERATING PROFIT	5		3,606,165
Interest receivable and similar income			<u>3,753</u>
			3,609,918
Interest payable and similar expenses	7		<u>144,247</u>
PROFIT BEFORE TAXATION			3,465,671
Tax on profit	8		<u>978,722</u>
PROFIT FOR THE FINANCIAL PERIOD			<u>2,486,949</u>
Profit attributable to: Owners of the parent			<u>2,486,949</u>

The notes form part of these financial statements

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

	Notes	£
PROFIT FOR THE PERIOD		2,486,949
OTHER COMPREHENSIVE INCOME		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>2,486,949</u>
Total comprehensive income attributable to: Owners of the parent		<u>2,486,949</u>

The notes form part of these financial statements

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES (REGISTERED NUMBER: 13121355)**

**CONSOLIDATED BALANCE SHEET
31 MARCH 2022**

	Notes	£	£
FIXED ASSETS			
Intangible assets	10		15,372,489
Tangible assets	11		1,300,601
Investments	12		<u>156,032</u>
			16,829,122
CURRENT ASSETS			
Debtors	13	43,757,081	
Cash at bank		<u>42,197,910</u>	
			85,954,991
CREDITORS			
Amounts falling due within one year	14	<u>79,279,682</u>	
			<u>6,675,309</u>
NET CURRENT ASSETS			
			<u>6,675,309</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
			23,504,431
CREDITORS			
Amounts falling due after more than one year	15		<u>8,470,206</u>
			<u>15,034,225</u>
NET ASSETS			
			<u>15,034,225</u>
CAPITAL AND RESERVES			
Called up share capital	17		224,473
Share premium	18		12,322,803
Retained earnings	18		<u>2,486,949</u>
			<u>15,034,225</u>
SHAREHOLDERS' FUNDS			
			<u>15,034,225</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28/9/2022 and were signed on its behalf by:



 J E BIGGAM - Director

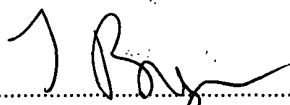
The notes form part of these financial statements

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES (REGISTERED NUMBER: 13121355)**

**COMPANY BALANCE SHEET
31 MARCH 2022**

	Notes	£	£
FIXED ASSETS			
Intangible assets	10		-
Tangible assets	11		-
Investments	12		<u>27,601,038</u>
			27,601,038
CURRENT ASSETS			
Debtors	13	35,308	
CREDITORS			
Amounts falling due within one year	14	<u>6,618,864</u>	
NET CURRENT LIABILITIES			<u>(6,583,556)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			21,017,482
CREDITORS			
Amounts falling due after more than one year	15		<u>8,470,206</u>
NET ASSETS			<u><u>12,547,276</u></u>
CAPITAL AND RESERVES			
Called up share capital	17		224,473
Share premium	18		<u>12,322,803</u>
SHAREHOLDERS' FUNDS			<u><u>12,547,276</u></u>
Company's profit for the financial year			<u><u>-</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 28/9/2022 and were signed on its behalf by:



.....
J E BIGGAM - Director

The notes form part of these financial statements

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Changes in equity				
Issue of share capital	224,473	-	-	224,473
Total comprehensive income	-	2,486,949	-	2,486,949
Balance at 31 March 2022	<u>224,473</u>	<u>2,486,950</u>	<u>-</u>	<u>2,711,422</u>

The notes form part of these financial statements

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Changes in equity				
Issue of share capital	224,473	-	-	224,473
Balance at 31 March 2022	<u>224,473</u>	<u>-</u>	<u>-</u>	<u>224,473</u>

The notes form part of these financial statements

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	41,277,341
Interest paid		(144,247)
Tax paid		<u>(600,827)</u>
Net cash from operating activities		<u>40,532,267</u>
Cash flows from investing activities		
Purchase of intangible fixed assets		(17,080,543)
Purchase of tangible fixed assets		(1,776,519)
Purchase of interest in associate		(156,032)
Interest received		<u>3,753</u>
Net cash from investing activities		<u>(19,009,341)</u>
Cash flows from financing activities		
Amount introduced by directors		8,144,516
Amount withdrawn by directors		(16,808)
Share issue		224,473
Share Premium		<u>12,322,803</u>
Net cash from financing activities		<u>20,674,984</u>
		<hr/>
Increase in cash and cash equivalents		42,197,910
Cash and cash equivalents at beginning of period	2	-
		<hr/>
Cash and cash equivalents at end of period	2	<u><u>42,197,910</u></u>

The notes form part of these financial statements

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**COMPANY CASH FLOW STATEMENT
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	162,736
Interest paid		<u>(144,247)</u>
Net cash from operating activities		<u>18,489</u>
Cash flows from investing activities		
Purchase of fixed asset investments		(27,789,547)
Discounting of Long term loan		188,509
Dividends received		<u>293,701</u>
Net cash from investing activities		<u>(27,307,337)</u>
Cash flows from financing activities		
New loans in year		6,613,864
Amount introduced by directors		8,144,516
Amount withdrawn by directors		(16,808)
Share issue		224,473
Share Premium		<u>12,322,803</u>
Net cash from financing activities		<u>27,288,848</u>
Increase in cash and cash equivalents		
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	<u>-</u>

The notes form part of these financial statements

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CASH FLOW STATEMENTS
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

Group

	£
Profit before taxation	3,465,671
Depreciation charges	2,183,972
Finance costs	144,247
Finance income	<u>(3,753)</u>
	5,790,137
Increase in trade and other debtors	(43,739,354)
Increase in trade and other creditors	<u>79,226,558</u>
Cash generated from operations	<u>41,277,341</u>

Company

	£
Profit before taxation	-
Finance costs	144,247
Finance income	<u>(293,701)</u>
	(149,454)
Increase in trade and other debtors	(18,500)
Increase in trade and other creditors	<u>330,690</u>
Cash generated from operations	<u>162,736</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statements in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	Group		Company	
	31.3.22	8.1.21	31.3.22	8.1.21
	£	£	£	£
Cash and cash equivalents	<u>42,197,910</u>	<u>-</u>	<u>-</u>	<u>-</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

Group

	At 8.1.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank	<u>-</u>	<u>42,197,910</u>	<u>42,197,910</u>
	<u>-</u>	<u>42,197,910</u>	<u>42,197,910</u>
Total	<u>-</u>	<u>42,197,910</u>	<u>42,197,910</u>

The notes form part of these financial statements

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CASH FLOW STATEMENTS
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

3. ANALYSIS OF CHANGES IN NET FUNDS - continued

Company	At 8.1.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank	-	-	-
	-	-	-
	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

1. STATUTORY INFORMATION

the7stars Group Holdings Limited and Subsidiaries is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

the7stars Group Holdings Limited is a parent company of the companies set out below. The general nature and principal activities of the group companies are those of a Media Agency.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the company.

Basis of consolidation

The Group financial statements comprise the financial statements of the7stars Group Holdings Limited and its subsidiary undertaking, the7stars Holdings Limited, drawn up to 31 March of each year. the7stars Holdings Limited is the parent company of the7stars UK limited, Bountiful Cow Limited, 8th Wonder Films Limited and Local Planet UK Limited. The Group Financial statements of the7stars Group Holdings Limited also comprise the financial statements of these companies. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. The financial statements of subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All inter-company balances and transactions are eliminated.

Going concern and COVID 19

The UK entered lockdown in March 2020 and some restrictions and some social distancing provisions remain in place. The pandemic caused global disruption to business and individuals alike.

We have managed cash to ensure that the business has continued to serve clients and to act responsibly with suppliers and employees.

We have continued to prepare the accounts on a going concern basis and deem this appropriate. We do not consider that a material uncertainty about our going concern status currently exists. In making this assessment we have considered the likely trading conditions for a period of twelve months from the date of our approval of these accounts.

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision for doubtful debts

The Company makes an estimate of the recoverable value of trade receivables and other debtors. When assessing impairment of trade and other receivables, management considers factors including the ageing profile of receivables and historical experience.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful economic life of Tangible Assets

The annual depreciation charge for tangible fixed assets is affected by changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are assessed periodically. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets.

Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from advertising space and management of 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.

Goodwill

Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is ten years. The reason for choosing this period is based on future expectations on income. Provision is made for any impairment.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fixtures and Fittings	25% on cost
Computer Equipment	33.33% on cost
Short Leasehold	over the remaining period of the lease

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits

When employees have rendered services to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Investments in unlisted company

Investments are measured at cost less impairment.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

2. ACCOUNTING POLICIES - continued

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Where goods are sold using finance leases, the entity recognises turnover from the sale of goods and the rights to receive future lease payments as a debtor. Minimum lease payments are apportioned between finance income and the reduction of the lease debtor with finance income allocated so as to produce a constant periodic rate of interest on the net investment in the finance lease.

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	£
United Kingdom	313,058,125
Europe	104,101,175
Rest of the world	<u>17,184,467</u>
	<u>434,343,767</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 Company's gross turnover for the year which is the billable amount before media discount was £478,240,432.

4. EMPLOYEES AND DIRECTORS

	£
Wages and salaries	15,643,146
Social security costs	1,833,197
Other pension costs	<u>659,972</u>
	<u>18,136,315</u>

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

4. EMPLOYEES AND DIRECTORS - continued

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

Administration	249
Management	<u>7</u>
	<u>256</u>

The average number of employees by undertakings that were proportionately consolidated during the period was 256.

Directors' remuneration	£ <u>1,496,134</u>
-------------------------	-----------------------

Information regarding the highest paid director is as follows:

Emoluments etc	£ <u>276,970</u>
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5. OPERATING PROFIT

The operating profit is stated after charging:

Depreciation - owned assets	£ 475,918
Goodwill amortisation	1,708,054
Foreign exchange differences	<u>4,924</u>

6. AUDITORS' REMUNERATION

Fees payable to the company's auditors and their associates for the audit of the company's financial statements	£ <u>93,350</u>
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7. INTEREST PAYABLE AND SIMILAR EXPENSES

Loan interest	£ <u>144,247</u>
---------------	---------------------

8. TAXATION

Analysis of the tax charge

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

Current tax:	£
UK corporation tax	<u>978,722</u>
Tax on profit	<u>978,722</u>

UK corporation tax has been charged at 19%.

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	£
Profit before tax	<u>3,465,671</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19%	658,477
Effects of:	
Expenses not deductible for tax purposes	90,940
Income not taxable for tax purposes	3,528
Depreciation in excess of capital allowances	11,004
Utilisation of tax losses	55,803
Expenses allowable	(165,560)
Goodwill amortisation	<u>324,530</u>
Total tax charge	<u>978,722</u>

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. INTANGIBLE FIXED ASSETS

Group	Goodwill
	£
COST	
At 8 January 2021 and 31 March 2022	<u>17,080,543</u>
AMORTISATION	
Amortisation for period	<u>1,708,054</u>
At 31 March 2022	<u>1,708,054</u>
NET BOOK VALUE	
At 31 March 2022	<u>15,372,489</u>
At 7 January 2021	<u>17,080,543</u>

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

11. TANGIBLE FIXED ASSETS

Group	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 8 January 2021	1,352,584	412,674	496,962	2,262,220
Additions	<u>293,141</u>	<u>41,852</u>	<u>273,260</u>	<u>608,253</u>
At 31 March 2022	<u>1,645,725</u>	<u>454,526</u>	<u>770,222</u>	<u>2,870,473</u>
DEPRECIATION				
At 8 January 2021	524,893	266,844	302,217	1,093,954
Charge for period	<u>225,154</u>	<u>94,017</u>	<u>156,747</u>	<u>475,918</u>
At 31 March 2022	<u>750,047</u>	<u>360,861</u>	<u>458,964</u>	<u>1,569,872</u>
NET BOOK VALUE				
At 31 March 2022	<u>895,678</u>	<u>93,665</u>	<u>311,258</u>	<u>1,300,601</u>
At 7 January 2021	<u>827,691</u>	<u>145,830</u>	<u>194,745</u>	<u>1,168,266</u>

12. FIXED ASSET INVESTMENTS

Group	Unlisted investments £
COST	
At 8 January 2021 and 31 March 2022	<u>156,032</u>
NET BOOK VALUE	
At 31 March 2022	<u>156,032</u>
At 7 January 2021	<u>156,032</u>

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

12. FIXED ASSET INVESTMENTS - continued

Company	Shares in group undertakings £
COST	
Additions	<u>27,789,547</u>
At 31 March 2022	<u>27,789,547</u>
PROVISIONS	
Provision written back	<u>188,509</u>
At 31 March 2022	<u>188,509</u>
NET BOOK VALUE	
At 31 March 2022	<u><u>27,601,038</u></u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

the7stars Holdings Limited

Registered office: United Kingdom

Nature of business: Holding company

Class of shares:	%	
Ordinary	holding	
	100.00	2022
		£
Aggregate capital and reserves		7,044,281
Profit for the period		<u>293,702</u>

the7stars Holdings Limited is parent company of these companies, incorporated in United Kingdom.

1. the7stars UK Limited
2. Bountiful Cow Limited
3. 8th Wonder Films Limited
4. Local Planet UK Limited

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company
	£	£
Trade debtors	39,922,881	-
Other debtors	198,177	18,500
Directors' loan accounts	16,808	16,808
Tax	919	-
VAT	2,572,616	-
Prepayments and accrued income	1,045,680	-
	<u>43,757,081</u>	<u>35,308</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company
	£	£
Trade creditors	72,477,079	-
Amounts owed to group undertakings	-	6,613,864
Tax	378,814	-
Other creditors	1,590,319	-
Accruals and deferred income	4,833,470	5,000
	<u>79,279,682</u>	<u>6,618,864</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	Company
	£	£
Other creditors	325,690	325,690
Directors' loan accounts	8,144,516	8,144,516
	<u>8,470,206</u>	<u>8,470,206</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases
	£
Within one year	1,591,455
Between one and five years	4,003,629
	<u>5,595,084</u>

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
100,000	Ordinary	£1	100,000
12,447,275	Preference shares	0.01p	<u>124,473</u>
			<u>224,473</u>

The following shares were issued during the period for cash at par:

100,000 Ordinary shares of £1

12,447,705 Preference shares of 0.01p were issued at £1.

18. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 8 January 2021	-	12,322,803	12,322,803
Profit for the period	<u>2,486,949</u>	<u> </u>	<u>2,486,949</u>
At 31 March 2022	<u>2,486,950</u>	<u>12,322,803</u>	<u>14,809,752</u>

Company

	Retained earnings £	Share premium £	Totals £
At 8 January 2021	-	12,322,803	12,322,803
Profit for the period	<u>-</u>	<u> </u>	<u>-</u>
At 31 March 2022	<u>-</u>	<u>12,322,803</u>	<u>12,322,803</u>

19. PENSION COMMITMENTS

The Group operates a defined contributions scheme. Pension contributions paid by the company in 2022 amounted to £659,972. There were no outstanding contributions at 31 March 2022.

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the period ended 31 March 2022:

	£
MS H ROSE	
Balance outstanding at start of period	-
Amounts advanced	8,404
Amounts repaid	-
Amounts written off	-
Amounts waived	-
Balance outstanding at end of period	<u>8,404</u>
R WILLIAMS	
Balance outstanding at start of period	-
Amounts advanced	8,404
Amounts repaid	-
Amounts written off	-
Amounts waived	-
Balance outstanding at end of period	<u>8,404</u>

21. RELATED PARTY DISCLOSURES

the7stars Holdings Limited is a subsidiary of the7stars Group Holdings Limited, a company under the control of J E Biggam, majority shareholder.

the7stars Foundation was founded to support the most challenged 16 year olds and under in the UK by providing grants to help forgotten young people lacking opportunity to achieve their potential. Some of the trustees of the Charity are Directors of this company. At 31 March 2022, £235,954 had been pledged to the Charity.

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

	£	£
Sales		434,343,767
Cost of sales		
Other direct costs		<u>402,966,277</u>
GROSS PROFIT		31,377,490
Other income		
R & D tax credit	645,922	
Furlough credit	3,417	
Deposit account interest	<u>3,753</u>	
		<u>653,092</u>
		32,030,582
Expenditure		
Wages	14,163,924	
Social security	1,585,368	
Pensions	584,060	
Rent	1,290,470	
Rates and water	930,992	
Insurance	572,147	
Light and heat	25,830	
Directors' salaries	1,479,222	
Directors' social security	247,829	
Directors' pension contributions	75,912	
Telephone	40,553	
Post and stationery	35,281	
Advertising	297,842	
Travelling	58,560	
Repairs and renewals	71,129	
Computer services and repairs	1,384,378	
Cleaning	77,323	
Sundry expenses	27,197	
Research	1,168,099	
Subscription & membership	413,293	
Professional Indemnity	123,866	
Legal and Professional fees	398,757	
Auditors' remuneration	93,350	
Foreign exchange losses	4,924	
Entertainment	202,731	
Donations	241,864	
Staff Recruitment	349,151	
Foreign exchange	(119,808)	
Staff welfare	<u>399,143</u>	
		<u>26,223,387</u>
Carried forward		5,807,195

This page does not form part of the statutory financial statements

**THE7STARS GROUP HOLDINGS LIMITED
AND SUBSIDIARIES**

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 8 JANUARY 2021 TO 31 MARCH 2022**

	£	£
Brought forward		5,807,195
Finance costs		
Bank charges	13,305	
Loan interest	<u>144,247</u>	
		<u>157,552</u>
		5,649,643
Depreciation		
Goodwill	1,708,054	
Short leasehold	225,154	
Fixtures and fittings	94,017	
Computer equipment	<u>156,747</u>	
		<u>2,183,972</u>
NET PROFIT		<u><u>3,465,671</u></u>

This page does not form part of the statutory financial statements