

Star Advertising Sales Limited

Financial Statements

For the period from 14 November 2024 to 31 December 2024

Star Advertising Sales Limited**Accountants' independent assurance report from 14 November 2024 to 31 December 2024**

We have reviewed the financial statements of Star Advertising Sales Limited for the period ended 31 December 2024 which comprise the statement of income and retained earnings, statement of financial position and the related notes 8 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 05 March 2025. It has been released to the directors on the basis that this report shall not be copied, referred to or disclosed, in whole (save for the directors' own internal purposes or as may be required by law or by a competent regulator) or in part, without our prior written consent. Our work has been undertaken so that we might state to the directors those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work, for this report or the conclusions we have formed.

Respective Responsibilities

You have confirmed that you have met your duty as set out in the statement of directors' responsibilities on page 1. You consider that the company is exempt from the statutory requirement for an audit for the period. Our responsibility is to form and express an independent conclusion, based on the work carried out, to you on the financial statements.

Scope

We conducted our engagement in accordance with the Association of Chartered Certified Accountants. Our work was based primarily upon enquiry, analytical procedures and assessing accounting policies in accordance with the in compliance with FRS 102, 'The Financial Reporting Standard'. If we considered it to be necessary, we also performed limited examination of evidence relevant to certain balances and disclosures in the financial statements where we became aware of matters that might indicate a risk of material misstatement in the financial statements.

The terms of our engagement exclude any requirement to carry out a comprehensive assessment of the risks of material misstatement, a consideration of fraud, laws, regulations or internal controls, and we have not done so. We are not required to, and we do not, express an audit opinion on these financial statements.

Conclusion

Based on our work, nothing has come to our attention to refute the directors' confirmation that:

- in accordance with the Companies Act 2006;
- so as to give a true and fair view of the state of the company's affairs as at 31 December 2024, and of its profit for the period then ended; and
- in accordance with the United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Mhd Afzaal Bhatti
K B M UK LIMITED

Chartered Certified Accountants

1 Concord Business Centre
Concord Road
London
UK
W3 0TJ

Date: 28 March 2025

Statement of comprehensive income for the period from 14 November 2024 to 31 December 2024

	Period from 14 November 2024 to 31 December 2024 £'000
Turnover	2,641
Cost of sales	(2,384)
Gross profit	257
Other Income	10
Administrative expenses	(213)
Profit before taxation	54
Tax on profit	(13)
Profit for the period	41
Other comprehensive income	-
Total comprehensive income for the period	41

All the activities of the Company are from continuing operations

The Company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 11 to 18 form an integral part of these financial statements.

Statement of financial position as at 31 December 2024

	Notes	As at 31 December 2024 £'000
Fixed assets		
Tangible assets	4	-
		-
Current assets		
Debtors	5	7,065
Cash at bank and in hand		2,614
		9,679
Creditors	6	(9,062)
		617
Net current assets		617
Liabilities		-
Net assets		617
Capital and reserves		
Called up share capital		-
Retained earnings		617
Total equity		617

*Called up share capital - The company has 2 ordinary shares of £1 each during current and prior year.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 28 March 2025, and are signed on behalf of the board by:

Mr S R Nagpal
Director

Statement of changes in equity for the period from 14 November 2024 to 31 December 2024

	Share capital £'000	Retained Earnings £'000	Total Equity £'000
Balance as at 13 November 2024	-	576	576
Total comprehensive income for the period	-	41	41
Balance as at 31 December 2024	-	617	617

Star Advertising Sales Limited

Notes to the financial statements for the period from 14 November 2024 to 31 December 2024

1. Accounting policies

1.1 General information

Star Advertising Sales Limited ('the Company') is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of its registered office is 3 Queen Caroline Street, Hammersmith, London W6 9PE, England.

On 11 November 2024, the Company's immediate holding company, TFCF America Inc., a wholly owned subsidiary of The Walt Disney Company, transferred 100% of its shareholding in the Company to Star India Private Limited, incorporated in India. As a result of this transfer, the Company became a wholly owned subsidiary of Star India Private Limited.

On 14 November 2024, Reliance Industries Limited, both directly and through its subsidiary Viacom 18 Media Private Limited, acquired a majority stake in Star India Private Limited. Consequently, Reliance Industries Limited became the Ultimate Holding Company.

The principal activities of the Company are to market and support distribution of television channels in the United Kingdom, the United States of America and South Africa, sell advertising airtime for the same television channels and to distribute video streaming services ("Hotstar") in the United Kingdom and Canada. It is considered that the Company's activities will remain unchanged for the foreseeable future.

1.2 Statement of compliance

The financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law) and Companies Act 2006.

1.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom on a basis consistent with the prior years.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in '1.4 Critical accounting judgements and key source of estimation uncertainty' section of this note. As a small entity, the Company has taken advantage of the exemptions available under section 1A of FRS 102.

(b) Exemptions for qualifying entities under FRS 102 section 1A

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Reliance Industries Limited which are publicly available.

Star Advertising Sales Limited**Notes to the financial statements for the period from 14 November 2024 to 31 December 2024****1. Accounting policies (continued)****1.3 Summary of significant accounting policies (continued)****(b) Exemptions for qualifying entities under FRS 102 section 1A (continued)**

As a qualifying entity, the Company has taken advantage of the following exemptions in its financial statements:

- i. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- ii. from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii. from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the Company's financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein;
- iv. from disclosing the Company's key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- v. as a small entity, the Company has taken advantage of the exemptions available under Section 1A of FRS 102.

(c) Going concern

The Director has undertaken an assessment and they expect the Company to be able to meet the day-to-day cash flow needs and its liabilities as they fall due without significant curtailment of operations through the realisation of assets for a period of at least 12 months from the date of these financial statements being signed.

On the basis of their assessment of the Company's financial position and resources, the Director believes that the Company is well placed to manage its business risks. Therefore, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(d) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts received or receivable for services provided in the normal course of business, net of discounts and value added taxes.

Revenue is recognised when the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, and when the following criteria for the revenue streams has been met:

i. Advertising revenue

The Company sells advertising space on linear channels to advertising agencies and brands. Advertising revenue is recognised on broadcast of the advertisement.

ii. Subscription revenue

Direct-to-consumer subscription video on demand services revenues are recognised ratably over the subscription period.

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Notes to the financial statements for the period from 14 November 2024 to 31 December 2024

1. Accounting policies (continued)

1.3 Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

iii. Agency Fees

Agency fee is accounted for on the basis of the substance of the agreement with a related party. The fees paid relate to the provision of services, such as marketing, that are provided under the agreement. Revenue is billed when the service has been provided and then revenue is recognised.

Given the nature of certain revenue streams the Company assess its revenue arrangements against specific criteria mentioned in FRS 102 in order to determine if it is acting as principal or agent.

When the Company is acting as an agent between the Company's affiliate companies and the supplier, turnover represents the fair value of amounts receivable from affiliate companies net of value added tax and costs incurred by the Company in carrying out its role as an agent. When the Company is acting as principal to the transaction, turnover represents the fair value of amounts receivable net of value added tax.

Several factors are considered to determine whether the Company is an agent or principal, most notably where the Company is primarily responsible for providing the services, has credit risk and discretion in establishing the price of the services. Consideration is also given to whether the Company adds meaningful value to the vendor's product or service.

Deferred revenue represents amounts received (or the amount is due) from customer and revenue will be recognised once the revenue recognition criteria as explained above is met.

Unbilled revenue is recognised in the financial statements when there is excess of revenue earned over billings on contracts with customers.

(e) Taxation

Tax expense for the period comprises current and deferred tax recognised in the reporting period. The tax (expense)/income is recognised either in the income statement, other comprehensive income or equity depending on the transaction that resulted in the tax (expense)/income.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that they will be recovered against the reversal of deferred tax liability or other future taxable profits.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is measured on a non-discounted basis. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

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Notes to the financial statements for the period from 14 November 2024 to 31 December 2024

1. Accounting policies (continued)

1.3 Summary of significant accounting policies (continued)

(f) Foreign currency

i. Functional and presentation currency

The Company's functional and presentation currency is pound sterling rounded to thousands.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(g) Tangible assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is calculated on a straight-line basis at rates estimated to write off the cost of the assets over their estimated useful lives. The principal useful lives in use are:

Equipment	Up to 5 years
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The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial Instruments.

(h) Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

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

Financial assets are derecognised when :

- the contractual rights to the cash flows from the asset expire or are settled, or
- substantially all the risks and rewards of the ownership of the asset are transferred to another party or
- control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

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Notes to the financial statements for the period from 14 November 2024 to 31 December 2024

1. Accounting policies (continued)

1.3 Summary of significant accounting policies (continued)

(h) Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditor 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

(iii) Offsetting

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.

The Company has taken exemption from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102.

(i) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits are recognised as an expense in the period in which the service is received. Holiday pay is recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further payment obligations. The pension cost charge represents contributions payable by the Company to the personal plans of certain employees in respect of the accounting period. The contributions are recognised as an expense and charged to the income statement when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2. Auditors' remuneration

	Period from 14 November 2024 to 31 December 2024 £'000
Audit services	1

3. Employee information

The average number of persons employed by the Company during the period amounted to 11.

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Notes to the financial statements for the period from 14 November 2024 to 31 December 2024

4. Tangible assets

Cost	Equipment £'000
At 14 November 2024 and 31 December 2024	7
Depreciation	
At 14 November 2024	7
Add: Depreciation for the period	0
At 31 December 2024	7
Net book value	
At 31 December 2024	<u><u>-</u></u>

5. Debtors

	31 December 2024 £'000
Trade debtors	5,436
Amounts owed by group undertakings	1,477
Corporation tax	-
Deferred tax assets	1
Prepayments and accrued income	151
	<u><u>7,065</u></u>

Amounts owed by group undertakings are unsecured and repayable in 90 days.

6. Creditors

	31 December 2024 £'000
Trade creditors	88
Amounts owed to group undertakings	7,775
Other taxation and social security	168
Accruals	271
Advance from customers	104
Deferred Income	656
	<u><u>9,062</u></u>

Amounts owed to group undertakings are unsecured and repayable in 90 days.

7. Financial instruments by category

The carrying amount for each category of financial instrument is as follows:

	31 December 2024 £'000
Financial assets measured at amortised cost	6,913
Financial liabilities measured at amortised cost	8,134

8. Related party transactions

The Company utilises the exemption contained in paragraph 33.1A of FRS 102, 'Related party disclosures', to not disclose any transactions with entities that are included in the financial statements of the ultimate parent company. The Company also does not disclose transactions with related parties which are not wholly owned by the ultimate parent company.

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Notes to the financial statements for the period from 14 November 2024 to 31 December 2024

9. Business Transfer

As a result of a group restructuring following the change of the ultimate parent entity and to achieve cost efficiencies, a strategic decision has been made at the group level to transfer the business assets of Star US LLC, a group entity to the Company.

The following figures relate to the US fellow entities that have been transferred into the Company.

	31 December 2024
Assets	£'000
Cash at bank and in hand	682
Debtors	4,383
Total Assets	<u>5,065</u>
	31 December 2024
Liabilities	£'000
Creditors	5,065
Total liabilities	<u>5,065</u>