RNS Number : 4718K
Iconic Labs PLC
31 October 2024

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Iconic Labs PLC

("Iconic" or the "Company")

Full Year Results for the Year ended 30 June 2024

Iconic Labs PLC (LSE: ICON), today announces its audited financial results for the year ended 30 June 2024.

Copies of the Annual Report and Accounts for the year ended 30 June 2024 will shortly be sent to shareholders and available on the Company's website: https://www.iconiclabs.co.uk/documents/.

Period Highlights

- Prospectus published to provide the Company with the ability to issue further Ordinary Shares under the Prospectus Regulation Rules
- Signed non-binding heads of terms with the owners of ITS Holdings 2023 Ltd ("ITS 2023"), the holding vehicle of the entire issued share capital of In the Style Fashion Ltd ("ITSFL"), in connection with potential purchase of ITS 2023 (although subsequently resolved instead for the Company to acquire ITSFL directly from ITS 2023)
- Victor Humberdot and Béla Lendvai-Lintner appointed as Non-executive Directors

Financial Highlights

- Profit of £418,948 (FY 23: £4,558,623) due to write back of trade creditors in the year
- Revenue of £Nil (FY 23: £Nil)
- Total assets held as of 30 June 2024 £139,340 (FY 23: £50,244)
- Group liabilities of £2,857,383 (FY 23: £3,900,141)

John Farquharson, Interim Chief Executive Officer of Iconic Labs, commented:

"Since announcing the heads of terms to acquire ITFSL, the management team has continued to advance the acquisition process, with the current intention to complete the transaction before the end of the calendar year. We look forward to providing updates in due course, which will culminate in the publication of a prospectus if successful."

For any further information or enquiries please contact:

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CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to present the audited accounts of Iconic Labs PLC and its subsidiaries (together, "Iconic" or the "Company") for the twelve months ended 30 June 2024.

Strategic Overview

Historically, Iconic has been a media and technology business focused on developing ventures and identifying acquisitions in the online media, artificial intelligence, and big data sectors. Our sole asset during this period was Gay Star News ("GSN"), an online media platform dedicated to the LGBTQ+ community. GSN continues to be part of our portfolio, championing diversity and inclusion in the digital media space.

Following our successful exit from administration and completion of all Company Voluntary Arrangement ("CVA") requirements on 21 September 2023, we initially intended to develop a strategic advisory services business. This venture aimed to provide fee-based services to technology companies in our core sectors, advising on growth strategy, product development, social media, marketing, and capital raising. However, unfavourable market conditions led us to reassess this strategy. Recognising the need for a more viable path forward, we redirected our efforts toward identifying a suitable acquisition target that would align with our long-term objectives.

Proposed Acquisition of In The Style Fashion Limited

After an extensive review of potential targets and following the suspension of our shares on 29 February 2024, on 11 March 2024 Iconic entered into non-binding heads of terms with the sellers of ITS Holdings 2023 Ltd "(ITS 2023") the parent company of In The Style Fashion Limited ("ITSFL"), a leading online fashion retailer

Founded in 2013, ITSFL is a dynamic e-commerce apparel brand with a loyal and growing customer base of predominantly women aged 16 to 35. The company has carved out a unique position in the market through its innovative influencer collaboration model. By partnering with influencers who have high engagement on social media platforms, ITSFL co-creates fashion collections that resonate deeply with its target audience.

We are working with our advisers to undertake the due diligence necessary to complete the proposed acquisition. As the transaction will constitute a reverse takeover under the Listing Rules, our advisers are assisting us with the process of readmission to the Official List and to trading on the Main Market of the London Stock Exchange ("Readmission"). As a result of the due diligence to date, it is now proposed that Iconic will acquire ITSFL directly from ITS 2023 and will not acquire ITS 2023.

Looking Ahead

The coming year promises to be an exciting chapter in Iconic's evolution. The completion of the proposed ITSFL acquisition will be a priority, and we are committed to realising the full potential of the business. Our focus will be on leveraging synergies, driving growth, and delivering sustainable shareholder returns.

On behalf of the Board, I would like to express my gratitude to our shareholders for their continued support and patience during this transformative period. I would also like to thank our stakeholders for their dedication and trust in our vision.

We look forward to updating you on our progress in the months ahead.

John Farquharson
Interim Chief Executive Officer
Date: 30 October 2024

STRATEGIC REPORT

INTRODUCTION

This is the eighth set of financial statements prepared by Iconic. This Strategic Report should also be read in conjunction with the Chief Executive Officer's Report.

Principal Activities

Iconic has entered into non-binding heads of terms with the sellers of ITS Holdings 2023 Ltd, the parent company of In The Style Fashion Limited, a leading online fashion retailer

Iconic's sole asset is Gay Star News ("GSN"), an online media platform dedicated to the LGBTQ+ community.

PRINCIPAL RISKS AND UNCERTAINTIES

The following risks are considered by the Board to be the most significant to the business:

Reverse Takeover (RTO) Target Risk

Iconic has identified and announced its target for a proposed RTO, however there is a risk that the RTO will not complete. The Company continues to work with its advisers to progress the legal and financial due diligence to enable the RTO to proceed and will provide further updates in due course.

Going Concern Risk

If the proposed RTO is not successful and an alternative target is not found within a short period of time, there is a risk that further funding will not be available from the Financing Facility with EHGOSF, and that whilst the on-going running cost of the Group is expected to be low, the Group may not be able to meet its liabilities as they fall due.

Revenue, Profitability and Funding Risk

Iconic currently only has one asset, GSN, which is not cash-generative and otherwise currently generates no revenues including from consultancy. The Company has therefore been reliant upon the Financing Facility with EHGOSF for its main source of working capital.

The Financing Facility is subject to a number of conditions ("Conditions") including in particular:

- The shares of Iconic trade on the Main Market of the London Stock Exchange;
- The closing market price of the Shares for each of the ten consecutive trading days falling immediately prior to the relevant closing date must be at least higher than 150% of the nominal value of Iconic's shares;
- The average daily value traded of Iconic's shares (excluding 5% of the data points from the top and excluding 5% of the data points from the bottom of the data set) for the 20 trading days immediately prior to the applicable closing date must be at least £10,000;
- From the fifth drawdown tranche onwards, Iconic having published a Prospectus;
- No binding commitment has been entered into by Iconic pursuant to which a change of control in Iconic would occur;
- No occurrence that constitutes an event of default having occurred and is continuing;
- The Board having the required authority;

  (1) For the allotment and issue of at least 200% of such number of Shares as would be required upon conversion of all outstanding Notes together with the Notes to be issued pursuant to the relevant drawdown notice calculated by dividing the aggregate principal amount of all such Notes by the Closing VWAP as of the date of such drawdown notice; and

  (2) To deviate from the Shareholders' pre-emption and/or preferential subscription right (as applicable) with respect to such number of Shares; and
- No payment is due by the Company to EHGOSF (or any of its Affiliates) and no delivery of Shares (or certificates evidencing such Shares) resulting from a conversion of Notes or exercise of any Warrants by EHGOSF (or any of its Affiliates) is outstanding.

The Company has secured short-term funding from EHGOSF and the seller of ITSFL to allow it to pursue the RTO which it is using to pay its low running costs and advisers to progress the legal and financial due diligence.

In the event that the RTO is not successful, it is possible that some of these conditions will not be met. As a result, if any such condition is not met, the Company may not be in a position to further drawdown on the Financing Facility. Although the Directors would endeavour to pursue certain options to mitigate the consequence of such breach there is no certainty that any such options could be achieved either in part or at all. In such an event the Company would need to wind down its operations, realise any assets and may enter administration, if and to the extent there are creditors of the Company who cannot be paid. In such an event, the Company would no longer manage the affairs of the Company or the realisation of its assets. As a result of either winding down the business or entering into administration, the Ordinary Shares would be cancelled from the Official List and Shareholders may receive little or no value for their Ordinary Shares.

Dilution and Pricing Risk

If EHGOSF exercises its full rights under the Financing Facility for conversion of Loan Notes and Warrants into Shares, this could result in a significant holding in the Company by EHGOSF. However, EHGOSF's strategy is generally to sell shares in the market as soon as practicable following the exercise of such rights and in any event under the Financing Facility, inter alia, EHGOSF cannot hold more than 29.9% of the Company. Accordingly, there is a risk that should the Company seek to drawdown under the Loan Notes and EHGOSF thereafter exercise and sell Shares in significant amounts over a lengthy period, this could have a material negative impact on the price of the Shares.

Potential Unrecorded Legacy Liabilities

As evidenced by the administration and disputes involving various key parties, there were significant legacy issues that predated management's arrival. Following the exit from administration and the entering into of confidential settlement agreements with various parties, the Directors consider that it is unlikely that there are any material unknown liabilities of Iconic, however there is the potential for unknown creditors to emerge which would increase the liabilities of the Company.

Financial Risk Management

The Board monitors the internal risk management function across Iconic and advises on all relevant risk issues. There is regular communication with internal departments, external advisors and regulators. Iconic's policies on financial instruments and the risks pertaining to those instruments are set out in the accounting policies in note 1 of the financial statements.

Key Performance Indicators

The business is currently focused on the areas of cash management and operating results.

Iconic has identified the following key performance indicators which the Directors will use to measure success against the business plan following the reverse takeover:

- Gross revenue growth
- EBITDA growth
- Market value

<u>FUTURE DEVELOPMENT AND STRATEGY</u>

Company Strategy

As set in the August 2023 Prospectus, the Company had intended to resume its historical revenue-generating offering by identifying companies in the online media, artificial intelligence, and big data gathering, processing and analysis sectors with which it could enter into advisory services contracts. At the time, it was thought that such advisory services could provide the Company with short-term revenues and news flow while it continued to search for a suitable acquisition target.

However, given the limited number of personnel working with the Company, the time commitment needed to properly provide advisory services to prospective clients, and current unfavourable market conditions, the Company decided that this short-term strategy was no longer viable. As such it decided to cease this strategy in favour of focusing all of its time, resources, and energy on acquiring a suitable company through an RTO to generate long-term growth and value for its shareholders.

Going Concern

The Board's assessment of going concern and the key considerations are set out in our Corporate Governance Report.

Capital Structure

Details of the Ordinary Shares of the Company are shown in note 11.On 13 February 2024 the Company's Ordinary Shares of £0.1 were subdivided into Ordinary Shares of £0.0001 each and Deferred Shares of £0.999 each. The Company also has a class of Deferred Shares of £0.00249 per share. No shares are entitled to a fixed income. Each holder of Ordinary Shares is entitled to receive Iconic's Annual Report and audited financial statements, to attend and speak or appoint proxies and to exercise voting rights at Iconic's general meetings.

The Company's Articles of Association (the "Articles") do not have any specific restrictions on the transfer of shares or restrictions on voting rights, and there are no limitations on holding such shares. Other than the obligations contained in the Financing Facility, the Settlement Deed, and the CVA, the Directors are not aware of any agreement between Iconic shareholders that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over Iconic's share capital and all issued shares are fully paid.

The appointment and replacement of Directors and the powers of the Directors are governed by the Articles, the Quoted Companies Alliance Corporate Governance Code, the Companies Act 2006 and related legislation. The powers of the Directors are described in the Corporate Governance Report.

Environmental Issues

As far as the Directors are aware, Iconic's business activities do not cause a direct and disproportionate adverse effect on the environment.

Employee Matters

As of 30 June 2024, and continuing through the fourth quarter of 2024, Iconic did/does not have any employees and its management is being conducted primarily by John Farquharson. Therefore, the Directors believe that this information is not relevant for the year ended 30 June 2024 and have not disclosed any information to that effect.

Social, Community and Human Rights Issues

Iconic seeks to achieve the highest ethical standards and behaviours in conducting its business, with integrity, openness, diversity and inclusiveness being a priority.

Section 172 Statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of Iconic's personnel and other stakeholders, the impact of its activities on the community, the environment and its reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the directors consider what is most likely to promote the success of Iconic for its members in the long term. We explain in this annual report, and below, how the board engages with stakeholders.

Relations with key stakeholders such as employees, shareholders and suppliers are considered in more detail in the Corporate Governance Report.

The Directors are aware of their responsibilities to promote the success of Iconic in accordance with section 172 of the Companies Act 2006. To ensure Iconic was operating in line with good corporate practice, all Directors received refresher training on the scope and application of section 172 in writing. This encouraged the Board to reflect on how Iconic engages with its stakeholders and opportunities for enhancement in the future. A section 172 notice has been included with the Board papers since this date. As required, Iconic's Company Secretary will provide support to the Board to help ensure that sufficient consideration is given to issues relating to the matters set out in s172(1)(a)-(f).

The Board regularly reviews Iconic's principal stakeholders and how It engages with them. This is achieved through information provided by management and by direct engagement with stakeholders themselves. We aim to work responsibly with our stakeholders, including suppliers. The Board has recently reviewed its anti-corruption and anti-bribery, equal opportunities and whistleblowing policies.

The key events and Board decisions made in the year are set out below:

8 August 2023 - Publication of Prospectus.

25 August 2023 - AGM held and Ordinary Shares Consolidated.

15 September 2023 - 83,256 Ordinary Shares issued to all creditors under the CVA.

12 October 2023 - Documents terminating CVA filed with and accepted by Companies House.

13 February 2024 - AGM held and Ordinary Shares sub-divided and converted.

29 February 2024 - Suspension of trading in the shares and RNS confirmation that Iconic was in discussions regarding a potential acquisition.

John Farquharson

Director

Date: 30 October 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Year ended 30 June 2024 £	Year ended 30 June 2023 (restated) £
Revenue		-	-
Gross profit		-	-
Administrative expenses	3	418,948	4,558,579
Other operating income		-	44
Operating Profit		418,948	4,558,623
Profit before taxation		418,948	4,558,623
Income tax expense	5	-	-
Profit for the year		418,948	4,558,623
Total comprehensive profit for the year		418,948	4,558,623
Earnings per share attributable to equity shareholders of the Company	6		
- Basic earnings per share		0.05	0.00
- Diluted earnings per share		0.01	0.00

The profit for the year and total comprehensive profit for the year are wholly attributable to the equity holders of the parent.

The results above have been derived from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	30 June 2024 £	30 June 2023 (restated) £
Assets			
Non-current assets			
Intangible assets	7	1	1
Total non-current assets		**1**	**1**

Current assets			
Trade and other receivables	9	10,030	-
Cash and cash equivalents	10	129,309	50,243
		139,339	**50,243**
Total assets		**139,340**	**50,244**
Equity			
Share capital	11	5,192,602	4,539,523
Share premium	12	8,401,588	8,341,761
Accumulated losses	12	(16,312,233)	(16,731,181)
		(2,718,043)	**(3,849,897)**
Liabilities			
Current liabilities			
Trade and other payables	13	210,604	1,750,141
Loans and borrowings	14	2,646,779	2,150,000
		2,857,383	**3,900,141**
Total liabilities		**2,857,383**	**3,900,141**
Total equity and liabilities		**139,340**	**50,244**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Share capital £	**Share premium £**	**Accumulated losses £**	**Total Equity £**
Balance at 30 June 2022	4,450,506	7,900,778	(21,289,804)	(8,938,520)
Profit for the period	-	-	4,768,623	4,768,623
Total comprehensive profit for the period	-	-	4,768,623	4,768,623
Transactions with owners:				
Issue of shares	89,017	440,983		530,000
Total contribution by and distribution to owners	89,017	440,983		530,000
Balance at 30 June 2023 as previously presented	**4,539,523**	**8,341,761**	**(16,521,181)**	**(3,639,897)**
Prior period adjustment (note 16)	-	-	(210,000)	(210,000)
Balance at 30 June 2023 as restated	**4,539,523**	**8,341,761**	**(16,731,181)**	**(3,849,897)**
Profit for the year	-	-	418,948	418,948
Total comprehensive profit for the year	-	-	418,948	418,948
Transactions with owners:				
Issue of shares	653,079	59,827	-	712,906
Total contribution by and distribution to owners	653,079	59,827	-	712,906
Balance at 30 June 2024	5,192,602	8,401,588	(16,312,233)	(2,718,043)

Share premium includes premiums on issue of share capital, less associated issue costs.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	**Year ended 30 June 2024 £**	**Year ended 30 June 2023 (restated) £**
Cash flows from operating activities			
Total comprehensive profit for the year		418,948	4,558,623
Costs relating to EHGOSF facility		310,006	-
Net write back of trade creditors		(1,509,225)	(6,117,482)
Net write back of loan notes		-	(915,000)
		(780,271)	(2,473,859)

		(780,271)	(2,473,859)
Increase in trade and other receivables	9	(10,030)	-
(Increase)/decrease in trade and other payables	13	(12,412)	1,554,097
Net cash used in operating activities		(802,713)	(919,762)
Cash flows from financing activities			
Cash flows from issue for promissory notes	14	631,779	-
Cash flows from issue of convertible loan notes	14	250,000	970,000
Net cash flows from financing activities		881,779	970,000
Net increase in cash and cash equivalents		79,066	50,238
Cash and cash equivalents at beginning of year		50,243	5
Cash and cash equivalents at year end	10	129,309	50,243

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	30 June 2024 £	30 June 2023 (restated) £
Non-current assets			
Investments	8	1	1
Non-current assets		**1**	**1**
Current assets			
Trade and other receivables	9	10,030	-
Cash and cash equivalents	10	129,309	50,243
		139,339	**50,243**
Total assets		**139,340**	**50,244**
Equity			
Share capital	11	5,192,602	4,539,523
Share premium	12	8,401,588	8,341,761
Accumulated losses	12	(16,312,233)	(16,731,181)
		(2,718,043)	**(3,849,897)**
Current liabilities			
Trade and other payables	13	210,604	1,750,141
Loans and borrowings	14	2,646,779	2,150,000
		2,857,383	**3,900,141**
Total liabilities		**2,857,383**	**3,900,141**
Total equity and liabilities		**139,340**	**50,244**

The Company's profit and total comprehensive profit for the year ended 30 June 2024 was £418,948 (restated 30 June 2023: £4,558,623 profit).

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Share capital £	Share premium £	Accumulated losses £	Total equity £
Balance at 01 July 2023	4,450,506	7,900,778	(21,289,344)	(8,938,060)
Profit for the period	-	-	4,768,163	4,768,163
Total comprehensive profit for period	-	-	4,768,163	4,768,163
Transactions with owners				
Issue of shares	89,017	440,983	-	530,000
Total contributions by and distributions to owners	89,017	440,983	-	530,000

Balance at 30 June 2023 as originally presented	4,559,523	8,341,761	(16,521,181)	(3,639,897)
Prior period adjustment (note 16)	-	-	(210,000)	(210,000)
Balance at 30 June 2023 as restated	**4,559,523**	**8,341,761**	**(16,731,181)**	**(3,849,897)**
Balance at 01 July 2023	4,359,523	8,341,761	(16,731,181)	(3,849,897)
Profit for the year	-	-	418,948	418,948
Total comprehensive profit for year	-	-	418,948	418,948
Transactions with owners				
Issue of shares	653,079	59,827	-	712,906
Total contributions by and distributions to owners	653,079	59,827	-	712,906
Balance at 30 June 2024	**5,192,602**	**8,401,588**	**(16,312,233)**	**(2,718,043)**

Share premium includes premiums on issue of share capital, less associated issue costs.

1. Accounting Policies

Company information

The principal activity of ("the Company") is that of a holding company. The Company is a public company limited by shares registered in England & Wales. The registered office of the Company is 7 Bell Yard, London, WC2A 2JR. The Company registration number is 10197256.

Basis of preparation

These financial statements have been prepared in accordance with applicable law and UK Adopted International Accounting Standards ("UK Adopted IASs").

These consolidated financial statements are presented in Pounds Sterling ('GBP'), which is considered by the directors to be the functional and presentation currency.

The Company's individual statement of comprehensive income has been omitted from the Group's annual financial statements having taken advantage of the exemption not to disclose under Section 408(3) of the Companies Act 2006.

Going concern

As noted in the Corporate Governance Report, the Directors have carefully considered the financial position of Iconic in light of progress during the twelve months ended 30 June 2024. The Directors have identified and announced a target for a proposed RTO transaction and have secured short term funding to progress the financial and legal due diligence, however there is a risk that the transaction may not complete. If the proposed RTO is not successful and an alternative target is not found within a short period of time, there is a risk that further funding will not be available from the Financing Facility with EHGOSF, and that whilst the on-going running costs of the Group are expected to be low, the Group may not be able to meet its liabilities as they fall due.

In such an event the Group would need to wind down its operations, realise any assets and may enter administration, if and to the extent there are creditors of the Company who cannot be paid. In such an event, the Group would no longer manage its affairs or the realisation of its assets. As a result of either winding down the business or entering into administration, the Ordinary Shares would be cancelled from the Official List and Shareholders may receive little or no value for their Ordinary Shares.

On this basis, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors believe it remains appropriate to prepare the financial statements on a going concern basis

Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries. Subsidiaries are entities controlled by the Group. The parent company controls a subsidiary if it has power over the investee to significantly direct the activities, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investors' returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The results of subsidiaries acquired or disposed in the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The results and net assets of subsidiaries whose accounts are denominated in foreign currencies are retranslated into Sterling at average rates and year-end rates respectively.

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting 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 measured on an undiscounted basis using 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 income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Intangible fixed assets

Intangible assets comprise capitalised computer software which are initially recognised at cost.

Amortisation is provided so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Computer Software 33% straight line basis

Intangible assets also comprise intellectual property which is initially measured at cost. The useful economic life of the asset is considered to be such that any amortisation charge would be immaterial to the financial statements. The directors have therefore decided that an annual impairment review rather than a systematic amortisation is more appropriate for this asset.

Impairment of non-current assets

At each reporting date the Group reviews the carrying amounts of its property, plant and equipment 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).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial asset.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and substantially all of the risks and rewards are transferred.

The financial assets of the Group are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:
- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

The classification is determined by both:
- The Group's business model for managing the financial asset
- The contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs and finance income.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where its effect is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance against trade and other receivables. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade and other receivables on a collective basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. These are initially and subsequently recorded at fair value.

Financial liabilities

The Group's principal financial liabilities include trade and other payables, leases and convertible debt none of which would be classified as fair value through profit or loss.

Therefore, these financial liabilities are classified as financial liabilities at amortised cost, as defined below:

Other financial liabilities include the following items:

- Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Convertible loan notes

Convertible loan notes issued by the Group comprise loan notes that can be converted to ordinary shares at the option of the holder. Convertible loan notes are recognised on the balance sheet when the entity becomes a party to the contractual provisions of the instrument and are measured at fair value upon initial recognition

Convertible loan notes are classified as financial liabilities at amortised cost unless they meet the criteria to be classified and measured at fair value through profit or loss. Derecognition occurs when the loan notes are converted to ordinary shares.

Promissory notes

Promissory notes are classified as financial instruments and recognised on the balance sheet when the entity becomes a party to the contractual provisions of the instrument. Upon initial recognition, promissory notes are measured at fair value, typically the transaction price, plus any directly attributable transaction costs. If a promissory note is issued with deferred payment terms or at an interest rate that does not reflect the market rate, it is initially measured at fair value, determined by discounting future cash flows at a market rate of interest.

Promissory notes payable are classified as financial liabilities at amortised cost unless they meet the criteria to be classified and measured at fair value through profit or loss. Promissory notes payable classified at amortised cost are subsequently measured using the effective interest rate method, recognising interest expense over the term of the note. Derecognition occurs when the obligation is discharged, cancelled, or expired.

Share capital

The Group's ordinary shares are classified as equity instruments.

Changes to IFRS not yet adopted

As from 1 January 2024, various amendments to IFRS standards as listed below were issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements of the Company and Group.

The following UK-adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements:

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective 1 January 2024).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current liabilities with Covenants (effective 1 January 2024).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective 1 January 2024).

The following standards and interpretations to published standards are not yet effective:

- Amendments to IAS 21: Lack of exchangeability (endorsed - effective 1 January 2025).
- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (issued - effective 1 January 2026)
- IFRS 18: Presentation and Disclosure in Financial Statements (issued - effective 1 January 2027)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (deferred).

The Directors anticipate that the adoption of these standards and interpretations in future periods will not have an impact on the results and net assets of the Company and Group.

2. Significant judgements and key sources of estimation uncertainty

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Significant management judgements are as follows:

Legacy Issues

- Due to the change in the Board, key management and operations of the Group that took place in March 2021, it is possible that there are unrecorded liabilities relating to discontinued activities about which the Board is unaware. The Board has undertaken, to the extent possible, a thorough review of the creditor position of the Parent Company and the Group, with a core focus on the legacy business operations. Notwithstanding the Board's assessment, there is a residual risk unforeseen liabilities may arise. However,
  due to the publicity around the new business, shutting down the old one and drawing down on the EHGOSF facility, a number of claims were made against the company. While it is important to consider these liabilities in these accounts the Board has however made a judgment that the risk of unrecorded actual or contingent liabilities is now low.

- The Group's former Board under through its Cellplan subsidiary was promoting bespoke stem cell medical insurance and launched a website to market the product. After due enquiry, the new Board is not aware that any such policies were issued. There does however remain a residual risk that policies may have been issued. The Board considers that the incidence and financial impact is now low.

3. Profit from Operations

	Year ended 30 June 2024	Year ended 30 June 2023 (restated)
	£	£
The loss for the period is stated after charging:		
Auditors' remuneration - audit services	29,000	30,000

Expenses by nature:	£	£
Legal and professional fees	646,958	802,578
Consultancy fees	168,375	433,368
Other supplies and external services	274,944	322,957
Total operating expenses	1,090,277	1,558,903
Creditors written off	(1,509,225)	(6,117,482)
Total administrative expenses	(418,948)	(4,558,579)

4. Staff Costs

No wages were paid during this year or the previous year.

Employee Numbers

The average number of staff employed by the group during the period amounted to:		
General and administration	4	3
	4	3

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities, and are the directors of the Company.

Remuneration of the directors and highest paid director is shown in the Remuneration Committee Report.

5. Income tax expense

	Year ended 30 June 2024	Year ended 30 June 2023
	£	£
Current tax	-	-
Total current tax	-	-

The reason for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to losses for the period are as follows:

	Year ended 30 June 2024	Year ended 30 June 2023 (restated)
	£	£
Profit before taxation	418,948	4,558,623
Tax using the parent company's domestic tax rate of 25% (2023: 19%)	104,737	866,138
Effects of:		
Utilisation of tax losses and other deductions arising in the period	(104,737)	(866,138)
Total tax charged in the income statement	-	-

The deferred taxation has not been recognised in these accounts due to the uncertainty over whether this will be recovered.

6. Earnings per share

	Year ended 30 June 2024	Year ended 30 June 2023

		(restated)
	£	£
Basic earnings per share		
Numerator		
Profit for the year	418,948	4,558,623
Denominator		
Weighted average number of ordinary shares used in basic earnings per share (units)	8,784,726	46,306,916,660
Basic earnings per share	0.05	0.00
Diluted earnings per share		
Numerator		
Profit for the year	418,948	4,558,623
Denominator		
Weighted average number of ordinary shares used in basic earnings per share (units)	8,784,726	46,306,916,660
Impact of potential dilutive shares (units)	20,150,000	19,400,000
Adjusted weighted average number of shares (units)	28,934,726	46,326,316,660
Diluted earnings per share	0.01	0.00

7. Intangible Assets

	Intellectual Property £	Total £
Cost		
Balance at 30 June 2023	21,600	21,600
Additions	-	-
Balance at 30 June 2024	21,600	21,600
Amortisation		
Balance at 30 June 2023	21,599	21,599
Impairment	-	-
Balance at 30 June 2024	21,599	21,599
Carrying amounts		
Balance at 30 June 2024	1	1
Balance at 30 June 2023	1	1

8. Investments Company

	30 June 2024 £	30 June 2023 £
Investments in subsidiaries	1	1
	1	1

Subsidiaries as at 30 June 2024:

Entity	*Registered office address*	*Country of incorporation*	*Nature of business*	*Notes*
WideCells International Limited	PO Box 4385, 09962594: COMPANIES HOUSE DEFAULT ADDRESS, Cardiff, CF14 8LH	United Kingdom	Holding company	(c) (d)
WideCells Portugal SA	Rua Da Casa Branca, 97 Coimbra 3030-109, Portugal	Portugal	Dormant company	(a)
WideCells Espana SL	Calle Castillo de Fuensaldana, 4, 28232 Las Rozas, Madrid	Spain	In liquidation	(a)
CellPlan Limited	PO Box 4385, 09962594: COMPANIES HOUSE DEFAULT ADDRESS, Cardiff, CF14 8LH	United Kingdom	Dormant company	(a) (d)
CellPlan International Lda	Edificio Tower Plaza Rotunda Eng, Edgar Cardoso, no. 23, 11 F, 4400-676 Vila Nova de Gaia, Portugal	Portugal	Dormant company	(b) (d)
Nuuco Media Limited	PO Box 4385, 09962594: COMPANIES HOUSE DEFAULT ADDRESS, Cardiff, CF14 8LH	United Kingdom	Dormant company	(c) (d)

Notes: (a) 100% owned by WideCells International Limited (b) 100% owned by CellPlan Limited
(c) 100% owned by Iconic Labs plc (d) Ordinary Shares Held

9. Trade and other receivables

Group

30 June	30 June

	30 June 2024 £	30 June 2023 £
Prepayments and accrued income	10,030	-
Total	**10,030**	-

Company

	30 June 2024 £	30 June 2023 £
Prepayments and accrued income	10,030	-
Total	**10,030**	**-**

10. Cash and cash equivalents

Group

	30 June 2024 £	30 June 2023 £
Cash at bank available on demand	129,309	50,243
Total cash and cash equivalents	129,309	50,243

Company

	30 June 2024 £	30 June 2023 £
Cash at bank available on demand	129,309	50,243
Total cash and cash equivalents	129,309	50,243

11. Company Share Capital

	30 June 2024 Number	£	30 June 2023 Number	£
Authorised, allotted and fully paid - classified as equity				
Ordinary shares of £0.10 each (2023 - £0.00001 each)	11,161,483	1,116,148	46,306,916,660	463,069
Deferred shares of £0.00249 each	1,637,129,905	4,076,454	1,637,129,905	4,076,454
Total	**1,648,291,388**	**5,192,602**	**47,944,046,565**	**4,539,523**

At 30 June 2023, the Company had 46,306,916,660 Ordinary shares of £0.00001 in issue and 1,637,129,905 Deferred shares of £0.00249 in issue.

In August 2023, the Company issued 689,655,172 Ordinary shares of £0.00001 for £0.000039 each in respect of a conversion of loan notes by EHGOSF.

Following the share issue above, the Company undertook a share consolidation. For every 10,000 £0.0001 Ordinary shares held, the shareholder received 1 Ordinary share of £0.10. In order to facilitate this consolidation, the Company had to issue 8,168 Ordinary shares of £0.0001 prior to the consolidation.

In September 2023, the Company issued 220,361 Ordinary shares of £0.10 each for £0.23 each, 236,406 were issued for £0.13 each and 271,739 were issued for £0.11 each. These issues were all in respect of the conversion of loan notes by EHGOSF. The Company also issued 83,256 Ordinary shares at par, to creditors as part of the CVA arrangement.

In October 2023, the Company issued 1,508,110 Ordinary shares of £0.10 each at par, in respect of the conversion of £130,000 loan notes by EHGOSF, and related conversion fees.

In November 2023, the Company issued 1,022,490 Ordinary shares of £0.10 each at par, in respect of the conversion of £50,000 loan notes by EHGOSF, and related conversion fees. Also in November 2023, the Company issued 769,043 Ordinary shares of £0.10 each at par, in respect of the conversion of £35,000 loan notes by Arch Capital Partners LLP, and related conversion fees.

In December 2023, the Company issued 1,495,720 Ordinary shares of £0.10 each at par, in respect of the conversion of £70,000 loan notes by EHGOSF, and related conversion fees.

In February 2024, the company issued 854,700 Ordinary shares of £0.10 each at par, in respect of the conversion of £20,000 loan notes by EHGOSF, and related conversion fees.

At 30 June 2024, the Company had 11,161,483 Ordinary shares of £0.10 in issue and 1,637,129,905 Deferred shares of £0.00249 in issue.

In accordance with the Companies Act 2006, the Company has no limit on its authorised share capital.

The holders of Ordinary shares have full voting, dividend and capital distribution rights. The Ordinary shares do not confer any rights of redemption.

On or following the occurrence of a change of control the receipts from the acquirer shall be applied to the holders of the Ordinary shares pro rata to their respective holdings.

Ordinary shares and Deferred Shares are recorded as equity.

At 30 June 2024 the Company had issued 11,125,000,000 (2023: 6,125,000,000) warrants to EHGOSF at a strike price of £0.00003 (2023: £0.00003) per share. All warrants remain outstanding at the year-end date.

12. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value
Accumulated losses	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere

13. Trade and other payables

Group

	30 June 2024 £	**30 June 2023 £**
Trade payables	135,289	1,704,142
Accruals	75,315	45,999
Total	210,604	1,750,141

Book values approximate to fair values at 30 June 2024 and 30 June 2023.

Company

	30 June 2024 £	**30 June 2023 £**
Trade payables	135,289	1,704,142
Accruals	75,315	45,999
	210,604	1,750,141

Book values approximate to fair values at 30 June 2024 and 30 June 2023.

14. Loans and borrowings

Group

Current	**30 June 2024 £**	**30 June 2023 (restated) £**
Promissory notes	631,779	-
Convertible loans	2,015,000	2,150,000
Total	**2,646,779**	**2,150,000**

Book values approximate to fair values at 30 June 2024 and 30 June 2023.

During the current year, the Company issued promissory notes of £325,460 to EHGOSF to provide working capital. In addition, the Company issued a further £306,319 of promissory notes to allow it to progress the legal and financial due diligence to enable the RTO to proceed.

During the prior year, the Company entered into a financing facility with EHGOSF for the issue of up to £3m of further convertible loan notes. At the year end the Company had drawn down £1,480,000 of the facility of which £930,000 had been converted into shares and fees of £260,000 had been deducted. This facility is unsecured.

Company

Current	**30 June 2024 £**	**30 June 2023 (restated) £**

Current	30 June 2024	30 June 2023 (restated)
	£	£
Promissory notes	631,779	-
Convertible loans	2,015,000	2,150,000
Total	**2,646,779**	**2,150,000**

15. Financial Instruments - Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
- Liquidity risk

In common with other businesses, the Group is exposed to risks that arise from use of financial instruments. This note describes the group's objectives, policies and processes for managing those risks and the methods used to measure them.

The principal financial instruments used by the Group, from which the financial instrument risks arise, are as follows:

- Cash and cash equivalents
- Trade and other receivables
- Trade and other payables
- Loans and borrowings

A summary of the financial instruments held by category is provided below:

- Financial assets - amortised cost
- Financial liabilities - amortised cost

The contractual maturities for all financial instruments held by the company are shown in the table below. The table shows undiscounted principal and interest cash flows and includes contractual gross cash flows and the net debt reconciliation:

	Carrying value	Falling due within 1 year	Falling due in more than 1 year but not more than 5 years	Total
	£	£	£	£
2024				
Financial liabilities: current and non-current				
Trade and other payables	210,604	210,604	-	210,604
Promissory notes	631,779	631,779		631,779
Convertible loan notes	2,015,000	2,015,000	-	2,015,000
Total financial liabilities	**2,857,383**	**2,857,383**	**-**	**2,857,383**
Financial assets: current and non-current				
Trade and other receivables	10,030	10,030	-	10,030
Cash and cash equivalents	129,309	129,309	-	129,309
Total financial assets	**139,339**	**139,339**	**-**	**139,339**
Net debt	**(2,718,044)**	**(2,718,044)**	**-**	**(2,718,044)**

2023 (restated)

	Carrying value	Falling due within 1 year	Falling due in more than 1 year but not more than 5 years	Total
Financial liabilities: current and non-current				
Trade and other payables	1,750,141	1,750,141	-	1,750,141
Convertible loan notes	2,150,000	2,150,000	-	2,150,000
Other loans	-	-	-	-

Total financial liabilities	**3,900,141**	**3,900,141**	**-**	**3,900,141**
Financial assets: current and non-current				
Trade and other receivables	-	-	-	-
Cash and cash equivalents	**50,243**	**50,243**	**-**	**50,243**
Total financial assets	**50,243**	**50,243**	**-**	**50,243**
Net debt	**(3,849,898)**	**(3,849,898)**	**-**	**(3,849,898)**

Financial assets and financial liabilities have been analysed by category below:

	Carrying value	**Financial assets at fair value through profit or loss**	**Financial assets at fair value through other comprehensive income**	**Liability at amortised cost**	**Financial asset at amortised cost**	**Fair value hierarchy level**
	£	**£**	**£**	**£**	**£**	
Financial assets						
Trade & other receivables	10,030	-	-	-	10,030	Level 2
Cash & cash equivalents	129,309	-	-	-	129,309	Level 1
Financial liabilities						
Promissory notes	631,779	-	-	631,779	-	Level 2
Convertible loan notes	2,015,000	-	-	2,015,000	-	Level 2
Trade & other payables	210,604	-	-	210,604	-	Level 2

Level 1 - Fair value determined by reference to prices in active markets for identical assets/liabilities

Level 2 - Fair value determined by reference to internal model with observable inputs

Group:

	2024	**2023**
	£	**£**
Cash and cash equivalents	129,309	50,243
Trade and other receivables	10,030	-
Total financial assets - amortised cost	**139,339**	**50,243**

	2024	**2023 (restated)**
	£	**£**
Trade and other payables	210,604	1,750,141
Loans and borrowings	2,646,779	2,150,000
Total liabilities - amortised cost	**2,857,383**	**3,900,141**

Company:	**2024**	**2023**
	£	**£**
Cash and cash equivalents	129,309	50,243
Trade and other receivables	10,030	-
Total financial assets - amortised cost	**139,339**	**50,243**

	2024	**2023 (restated)**
	£	**£**
Trade and other payables	210,604	1,750,141
Loans and borrowings	2,646,779	2,150,000
Total liabilities - amortised cost	**2,857,383**	**3,900,141**

The Board has overall responsibility for the determination of the Group's risk management objectives and policies.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Groups' competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

The Group applies the simplified approach when measuring expected credit losses. The approach uses a lifetime expected loss allowance. The expected loss rates are reviewed annually, or when there is a significant change in external factors potentially impacting credit risk and are updated where management's expectations of credit losses change. No changes have been made to the expected loss rates during the financial year.

Financial assets held as at year-end are as shown below (2023: £nil):

<u>**As at 31 March 2024**</u>

	Current	More than 1 year overdue	Total
	£	£	£
Prepayments and accrued income	10,030	-	-
Gross carrying amount	**10,030**	**-**	**10,030**

Credit risk (Continued)

No expected credit losses have been provided against the financial assets in the current year and prior year.

Credit risk is the risk of financial loss to the Group if a counterparty to the financial instrument fails to meet its contractual obligations. It is Group policy to assess the credit risk of new customers before entering into contracts.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with high credit status are accepted.

The Group does not enter into derivatives to manage credit risk.

Group

	2024	**2023**
	£	**£**
Trade and other receivables	10,030	-
Cash held at Wise Payments Limited	129,309	50,243
Total financial assets	139,339	50,243

Company

	2024	**2023**
	£	**£**
Trade and other receivables	10,030	-
Cash held at Wise Payments Limited	129,309	50,243
Total financial assets	139,339	50,243

Market risk

<u>Foreign exchange risk</u>

Foreign exchange risk arises because the Group has operations in Portugal and Spain, whose functional currency is not the same as the functional currency of the Group. The Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into sterling.

As of 30 June 2024, the Group's exposure to foreign exchange risk was not material as the overseas operations had been discontinued.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Board will continue to monitor long term cash projections and will consider raising funds as required.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

Group:

2024	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	£	**£**	**£**	**£**	**£**	**£**
Trade and other payables	210,604	-	-	-	-	210,604
Borrowings	2,646,779	-	-	-	-	2,646,779
Total	**2,857,383**	-	-	-	-	**2,857,383**

2023 (restated)	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	£	**£**	**£**	**£**	**£**	**£**
Trade and other payables	1,750,141	-	-	-	-	1,750,141
Borrowings	2,150,000	-	-	-	-	2,150,000
Total	**3,900,141**	**-**	**-**	**-**	**-**	**3,900,141**

More details in regard to the line items are included in the respective notes:

- Trade and other payables - note 13
- Loan and borrowings - note 14

At the balance sheet date, the Group had liabilities due for settlement within 3 months of £2,857,383, compared to a cash balance of £129,309.

£2,015,000 of borrowings re convertible loan notes and £631,779 of promissory notes which are to be settled by way of an issue of share capital.

The Group monitors capital which comprises all components of equity (i.e. share capital, share premium and accumulated deficit).

The directors are aware of the need for the Group to obtain capital in order to fund the growth of the business and are in continual discussions with providers of both debt and equity capital. The directors regularly review the status of such discussions and aim at all times to have offers of capital funding available to the Company which more than exceed the needs of the Company over the coming period.

In the medium term and in addition to the need to safeguard the entity's ability to continue as a going concern, the directors are aware of the views of members on certain financing structures and therefore have set an objective to move towards a conventional, simplified capital structure based on equity capital.

Further details about the directors' assessment of the Group's ability to continue as a going concern and the key considerations there to are set out in the Corporate Governance Report.

At present the directors do not intend to pay dividends but will reconsider the position in future periods, as the Group becomes profitable.

16. Prior period adjustment

During the preparation of these financial statements, the Group identified an error where fees incurred on the draw down of convertible loan notes were omitted from the accounting records and financial statements in the prior year. As a result of this error, convertible loan notes, reported within loans and borrowings in the Consolidated Statement of Financial Position, were understated by £210,000. Legal and waiver fees reported within administrative expenses in the Consolidated Statement of Comprehensive Income were also understated by £210,000.

The table below summarises the effect of the correction of the prior period error on the financial statement.

Impact on Consolidated Statement of Financial Position

As at 30 June 2023

	As previously reported	Adjustment to correct	Restated balance

	As previously reported	Adjustment to correct error	Restated balance
	£	£	£
Liabilities			
Current liabilities			
Loans and borrowings	(1,940,000)	(210,000)	(2,150,000)
Equity			
Accumulated losses	(16,521,181)	(210,000)	(16,731,181)

Impact on Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	As previously reported	Adjustment to correct error	Restated balance
	£	£	£
Administration expenses	4,768,579	(210,000)	4,558,579
Profit before taxation	4,768,579	(210,000)	4,558,579

The above errors have been corrected by restating the affected amounts in the prior period financial statements, as if the errors had never occurred in accordance with IAS 8. The restated figures are reflected in the comparative amounts for the period ended 30 June 2023 in these financial statements.

17. Capital commitments

The Group had no capital commitments at 30 June 2024 or 30 June 2023.

18. Related party Transactions

Details of Directors' remuneration are given in the Remuneration Committee Report.

19. Contingent Liabilities

The Company has contingent liabilities amounting to £255,000 that are payable to advisors upon completion of the reverse takeover and re-admission to trading. Should the reverse takeover not be successful, this amount is not payable.

The Group had no contingent liabilities at 30 June 2023.

20. Ultimate Controlling Party

The Directors do not consider that there is an ultimate controlling party of Iconic Labs Plc.

21. Reconciliation of movement in net (debt)/cash

	Net debt at 01 July 2023	Cash flow	Non-cash change in loan notes	Repayment of borrowings (continuing activities)	Conversion of loan notes to equity	Net cash at 30 June 2024
	£	£	£	£	£	£
Cash at bank and in hand	50,243	79,066	-	-	-	129,309
Borrowings	(2,150,000)	(881,779)	(260,000)	-	435,000	(2,646,779)
Total financial liabilities	(2,099,757)	(802,713)	(260,000)	-	435,000	(2,517,470)

	Net debt at 01 July 2022	Cash flow	Non-cash change in loan notes (restated)	Repayment of borrowings (continuing activities)	Conversion of loan notes to equity	Net cash at 30 June 2023 (restated)
	£	£	£	£	£	£
Cash at bank and in hand	5	50,238	-	-	-	50,243
Borrowings	(2,415,000)	(970,000)	705,000	-	530,000	(2,150,000)
Total financial liabilities	(2,414,995)	(919,762)	705,000	-	530,000	(2,099,757)

22. Subsequent Events

On 29 July 2024, the Listing Rules were replaced by the UK Listing Rules ("UKLR") under which the existing Standard Listing category was replaced by the Equity Shares (shell companies) category under Chapter 13 of the UKLR as it applied to the Company. Consequently, with effect from that date the Company is admitted to Equity Shares (shell companies) category of the Official List under Chapter 13 of the UKLR and to trading on the London Stock Exchange's Main Market for listed securities.

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