Company Number 13288812 (England and Wales)

ELECTRIC GUITAR PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

ELECTRIC GUITAR PLC

COMPANY INFORMATION

Directors	John Hutchinson John Regan Richard Horwood Grahame Cook Caroline Worboys
Secretary	Richard Horwood
Company number	13288812
Registered office	One Bartholomew Close London EC1A 7BL
Auditor	Johnsons Chartered Accountants 1-2 Craven Road London W5 2UA
Bankers	Santander UK PLC 2 Triton Square Regent's Place London NW1 3AN

CONTENTS

CHAIR’S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

Since it was listed on the Standard List and the Main Market of the London Stock Exchange in January 2022 as a Special Purpose Acquisition Company, Electric Guitar PLC (“Electric Guitar” or the “Company”) has investigated many potential acquisitions of trading companies, initially to reverse into one of them as its first acquisition which culminated in the acquisition of 3radical Limited (“3 radical”), and with a view to creating a pipeline for further acquisitions and collaborations.

I am grateful to our supportive shareholders who have joined and stayed with us on this journey, despite some very difficult stock market conditions. I would also like to thank the executive team led by John Regan and Richard Horwood who have applied themselves with skill, vigour and imagination to achieve the Company’s goals, as well as the non-executive directors who have served the Company during this period and since the year-end – Sarfraz Munshi, Grahame Cook, Caroline Worboys and David Eldridge – whose wise counsel has proved invaluable.

First acquisition and admission to AIM

Led by industry expert John Regan as Chief Executive Officer and following the appointment in April 2023 of experienced M&A professional Richard Horwood as an executive director – subsequently appointed Chief Operating Officer – the Company focused on a shortlist of acquisition targets. This quickly led to the announcement of non-binding heads of terms on 6 July 2023 to acquire, through a reverse takeover subject to regulatory and shareholder approval and due diligence, all the outstanding shares in 3radical in an all-share transaction (the "Transaction").

The Transaction was subsequently completed on 3 May 2024, despite difficult stock market conditions. At the same time, the Company cancelled its listing on the Main Market of the London Stock Exchange and had its Ordinary share capital, as enlarged following the completion of the Transaction at the negotiated value of £1.3 million satisfied in shares and of a successful £2.2 million equity fundraising (“Fundraising”), admitted to trading on AIM, a market operated by the London Stock Exchange ("Admission"). It was one of a very small number of successful new admissions on AIM in the last year.

Market environment

As outlined in last year’s annual report, the online marketing industry is fundamentally shifting from targeting consumers en masse through third-party data cookies intrusively planted on their devices and indiscriminately monitoring their online activities, to understanding and engaging consumers better using first-party information they have willingly provided.

At the same time, the market is being disrupted by the competing drivers of consumer privacy and data protection on the one hand, and AI-driven demands for more personalised marketing on the other. As a result, consented first-party data has become increasingly critical for marketing and providing a compelling customer experience, optimising communications, designing products and services and, ultimately, driving revenues.

The initial excitement over general purpose generative AI, such as ChatGPT, has led to heightened awareness of the capabilities of AI and its use in marketing, with major brands such as Coca Cola and BMW beginning to deploy advertising created by AI. As the industry gets to grips with this rapidly advancing technology, there is increasing awareness that accessing the right data is fundamental to this process. This has further bolstered interest in first-party data, and businesses with access to their own proprietary data which can be deployed to create AI for specific use cases, such as consumer engagement, have a significant advantage as the market for AI develops.

The emergence of Web 3.0 technologies is beginning to influence this evolving landscape. By leveraging decentralised platforms and blockchain technology, Web 3.0 empowers consumers with greater control over their personal data and online interactions, supporting the shift towards transparency and user consent. Recognising these trends, marketers are beginning to explore Web 3.0 solutions to stay ahead of the curve.

These industry shifts are coupled with continuing relatively high interest rates and less readily available private equity for SMEs, leaving many growth-oriented technology-based companies with less access to the capital they need. This is resulting in increasingly realistic valuations by target company founders and their private investors, creating more opportunities for the Company to acquire complementary businesses at attractive valuations, both by using its now AIM-quoted equity as an acquisition currency that can grow in value as the acquired businesses deliver on their potential and as a way to access growth capital.

DocuSigned by:
John Hutchinson
709C7917296A46B

John Hutchinson

Chairman

30 September 2024

30/9/2024 | 8:07 AM BST

CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2024

After acquiring 3radical in May 2024, we immediately enhanced its sales and marketing activities, following an extended period of retrenchment that inevitably impacted revenues and sales opportunities. We also brought in new and experienced senior management and bore down on non-revenue-generating overheads; generated significant synergies by in-housing the services previously provided by Mymyne Limited ("Mymyne"); and established several new collaborations for additional products, technologies and access to new markets.

Product development was refocused on client-related activities and the development of the Voco Solutions Portal ("VSP"). VSP is an evolution of 3radical's established Voco platform, designed specifically to provide businesses with a streamlined and rapid deployment solution for customer engagement, with much shorter sales and implementation lead times, and clearer marketing ROI.

3radical's business in the context of Electric Guitar's strategy

Voco is a robust and sophisticated Software as a Service (SaaS) platform, which enables organisations to engage individuals and request their first-party data directly, using progressive and interactive digital experiences, at scale. A trailblazer in digital consumer engagement solutions and based in the UK, 3radical also has an operation in Singapore, and customers across the UK, US and Asia-Pacific.

With Voco offering marketers a tried and tested way to earn valuable first-party data and with 3radical's existing global reach, it fits Electric Guitar's buy-and-build strategy of capitalising on the structural disruption in the marketing industry.

In addition, having provided its online engagement solutions to marketers for some years, 3radical has built up a unique global dataset of anonymised data with over 1 billion data points, including detailed information on how consumers engage with digital advertising ("Global Data Store"). This unique data asset is exactly the kind of proprietary data that AI needs.

Marcomms.ai joint venture

Post-period end, on 31 July 2024, the Company announced the launch of Marcomms.ai as a UK joint venture with Exelia Technologies Limited ("Exelia"), with the aim of positioning the joint venture, and by extension Exelia and Electric Guitar, as a leading authority in AI-enhanced marketing and advertising solutions.

Exelia is a Cyprus-based software development business with a specialised team of developers proficient in blockchain, machine learning, data processing and AI. The joint venture combines these capabilities with Electric Guitar's administration, sales and general commercialisation expertise, and access to 3radical's Global Data Store. It will also benefit from access to 3radical's established clients in the marketing communications and advertising industry, providing both valuable data and a ready market for the joint venture's offerings in the marketing communications and advertising sectors.

Marcomms.ai's first product, Engagement Intelligence (EI), will use the more than 1 billion data points in the Global Data Store to provide detailed understanding of how consumers engage with digital advertising, enabling marketers to increase ROI by providing information to help optimise their marketing campaigns to increase engagement. This strategic integration marks a crucial step in the development of AI-based products designed to enable businesses to connect with their audiences more effectively.

Exelia is funding the joint venture's initial working capital in relation to data engineering and transformation, data analysis and dashboard creation based on 3radical's Global Data Store. Electric Guitar is funding the initial costs relating to incorporation and administration of the joint venture company, access to the Global Data Store, and the introduction of a minimum viable product to customers and prospects.

Other collaborations

On 15 July 2024, 3radical agreed a mutual reseller arrangement with Sophus3, a well-established business working with some of the world's largest automotive brands such as Ford, Hyundai and Volkswagen. Sophus3 analyses behavioural data collected from multiple websites to understand the habits, influences and behaviours of online car buyers. Sophus3 has developed 'Engage' as its own SaaS platform that allows clients to respond to consumer behaviour in real-time and serve them the right content at the right moment to maximise sales. Under the agreement, 3radical can offer Engage to assist its clients, and Sophus3 can offer Voco to some of the world's largest car brands at a time when first-party data is becoming increasingly important in the automotive industry, as manufacturers seek to engage and retain their car buyers directly rather than through distributors.

On 25 September 2024 in Singapore, 3radical launched its strategic collaboration with Digital Alchemy, a global marketing automation consultancy based in Asia-Pacific and North America, to deliver comprehensive and personalised engaging marketing solutions. This further strengthens 3radical's existing presence in Asia-Pacific, enhancing relationships with its existing client base, as well as attracting and retaining new clients by leveraging Digital Alchemy's expertise in marketing automation and its robust technological partnerships with Salesforce, Adobe, SAS, Braze and HCL. The event enabled 3radical to extend its network and establish relationships with leading enterprises looking to enhance their digital marketing strategies through cutting-edge technologies.

Also on 25 September 2024, the Company announced a collaboration with Little Birdie, a subscription and recurring payments management platform, to create a loyalty app that integrates first-party 'Open Banking' data with 3radical's Global Data Store, enabling clients to enhance consumer engagement by providing personalised financial insights into customer spending habits, preferences and financial behaviours.

Mymyne

As stated in the Company's AIM Admission document and in anticipation of the Transaction, 3radical had engaged Mymyne, a business related to the Company due to shareholdings in it by two of the Company's directors (John Hutchinson and myself), to start to provide 3radical's needed sales and marketing expertise and capabilities, payment for which was conditional on completion of the Transaction.

On 28 August 2024, the Company completed an all-share acquisition of Mymyne, valuing it at up to a maximum of approximately £154k based on the closing mid-market price of the Company's shares immediately prior to announcing the proposed acquisition on 9 August 2024. This acquisition was conducted solely by Electric Guitar's independent directors, and was approved by shareholders at a General Meeting on 27 August 2024. This brought Mymyne's capabilities in-house, and achieved substantial cost-savings that will more than offset the value of the consideration.

3radical's trading

As anticipated in the Company's AIM Admission document, and as reflected in 3radical's interim results to 30 September 2023 contained therein, 3radical's trading in the year to 31 March 2024 was adversely affected by an extended period of retrenchment from late 2022 up to completion of the Transaction, due to lack of resources especially in its sales, marketing and account management functions.

This resulted in 3radical's revenues for the financial year ended 31 March 2024 falling to £0.4 million from £0.7 million in the previous year, exacerbated by the transition from direct sales to indirect sales net of reseller commissions of typically 50 per cent, as well as to some attrition in the customer base, in line with the Board's expectations.

Despite the substantial cost reductions mainly in sales and marketing, the lower turnover – coupled with larger than expected costs incurred for the Transaction and an adverse effect of foreign exchange losses – increased operating losses for the financial year ended 31 March 2024 to £1.5 million from £1.1 million in the previous financial year.

The Transaction in May 2024 not only brought in additional resources from the Fundraising but has also enabled 3radical to start to benefit from the Company's expertise in productisation, sales and marketing. For example, in just the first few months we have nearly doubled 3radical's inbound website traffic and increased dwell time by 400%; and have more than doubled UK direct sales lead generation, resulting in 36 new live conversations with significant brands in the last 3 months, almost halving the historic average sales cycle.

On 19 September 2024, 3radical launched VSP at the Digital Marketing Exposition & Conference ("DMEXCO") in Cologne, Germany; and on 25 September 2024 at the joint event with Digital Alchemy in Singapore. While the Voco platform has long been a comprehensive tool for creating interactive and personalised digital experiences, VSP focuses on enabling organisations to quickly and efficiently deploy engagement strategies without the need for extensive technical expertise, reducing the time needed for clients to implement Voco from months to hours.

The recent event in Singapore was attended by senior members of the digital advertising community from across the Asia-Pacific region, and our recent roll-out of activity with MediaCorp, Singapore's largest content creator and national media network, demonstrates that momentum is returning to this region.

I thank all our staff who have worked tirelessly to reinvigorate the business after an extended period of constrained resources, and the inevitable distraction of a lengthy takeover period since the proposed acquisition of 3radical was announced in July 2023, before we were able to bring in new resources and skills. It takes time to turn a business around in such circumstances, but I am hugely encouraged by the progress we have made and look forward to our future success.

DocuSigned by:
John Regan
.....6315E5856DF749D........

John Regan
Chief Executive Officer
30 September 2024
29/9/2024 | 11:57 PM PDT

MANAGEMENT REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Principal activities

The Company was established in March 2021 as a Special Purpose Acquisition Company to seek acquisition targets in the digital media sector. In January 2022 its Ordinary shares were admitted to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange, following a successful placing of 40,000,000 Ordinary shares at £0.03 per share raising gross proceeds of £1,200,000 before expenses.

The principal activity of the Company during the period to 31 March 2024 was that of identifying potential companies, businesses, or assets for acquisition.

Financial review

As a Special Purpose Acquisition Company for the period, the Company had no revenue and incurred a net loss of £1,367,797 in the year ended 31 March 2024 (2023: £537,690). At 31 March 2024, the Company held cash at bank totalling £137 (2023: £491,635), and £650,000 of available loan facilities.

Post balance sheet events

In May 2024, the Company cancelled the listing of its Ordinary shares on the Standard Segment of the Official List and had its Ordinary shares admitted to trading on AIM, a market operated by the London Stock Exchange.

At the same time, it acquired 3radical through an all-share reverse takeover by issuing 61,184,843 ordinary shares at £0.021 per share valuing 3radical at £1,284,882; and issued a further 104,785,670 ordinary shares at £0.021 per share raising £2,200,499 before expenses, through a combination of subscription, placing, and the conversion of certain liabilities to new Ordinary shares.

As a result, the Company's principal activity changed to the provision of first-party data solutions for the digital marketing and advertising industry as well as identifying potential companies, businesses, or assets for acquisition.

In August 2024, the Company acquired Mymyne through an all-share acquisition by issuing 9,834,521 Ordinary shares at £0.0073 per share on completion, plus deferred consideration of up to a maximum of 11,191,665 Ordinary shares after a year subject to conditions, valuing Mymyne at a maximum of £153,491 at the closing mid-market price of the Company's Ordinary shares on 8 August 2024. At the same time, the Company issued a further 9,589,042 Ordinary shares at £0.0073 per share in satisfaction of £70,000 in fees to professional advisers.

KEY PERSONNEL

JOHN HUTCHINSON - Non-executive Chairman

John Hutchinson is an experienced Non-Executive Director and founder of businesses. John has maintained his career as a corporate lawyer for more than 30 years alongside his external business activities. In 2005 he became Chair of Intavent Limited, a medical devices company, overseeing the realisation of value for its shareholders over two years as the company wound up its UK activities. In 2007 he was part of a team that set up Epi-V, a private equity fund investing in technologies for the oil and gas industry. In 2012 he became managing partner of the fund, responsible for £110 million of investment. In 2015 he was asked to take over as managing partner of Pitmans LLP, where he oversaw the reorganisation of the firm's management team and took the firm into a merger in 2018, creating a more than £50 million turnover law firm, BDB Pitmans LLP. John is currently Managing Partner of this firm. John has been on the boards of several innovative and growth orientated technology companies. Examples include SafeToNet Limited, a company safeguarding children globally online, and Flodatix Limited, a private equity backed multi-phase flow metering company using unique technology in the oil and gas sector. John has a degree from the University of Victoria in Canada

JOHN REGAN - Chief Executive Officer

John is a serial entrepreneur with 30 years' experience of the advertising industry, including over 25 years of experience in data privacy and marketing data analytics. John started his career selling classified advertisements for the Daily Telegraph in 1991, before moving into radio advertising for Independent Radio Sales, part of Katz Communications. In 1998, he founded one of the first independent marketing analysis businesses in the UK which he sold to Diversified Agencies UK Holdings Ltd (formerly Lopex plc), a subsidiary of Havas Advertising S.A, the French multinational advertising and public relations company. It became part of EHS Brann, the creators of the Tesco Clubcard, the first large-scale, data-driven marketing operation in the UK. John then co-founded his second and third businesses, namely Absolute Intuistic Limited, trading as AI Data Intelligence, and Intuistic Limited, which were bought out by Communisis Plc in 2008. AI Data Intelligence specialised in the use of advanced analytics to optimise direct mail campaigns for large clients including Royal Bank of Scotland, Lloyds TSB and Vodafone. Following the sale, John spent two years as a director on the acquisitions team of Communisis Data Limited (part of the Communisis Plc group). In 2019 he founded the advertising technology and sales and marketing consultancy business, Mymyne. John has a BA(Hons) degree in Social Policy and Administration from Portsmouth University

RICHARD HORWOOD – Chief Operating Officer

Richard joined the Company on 1 April 2023 and has been an innovator in media and technology for some 30 years, after careers in investment banking and law. Having started out as a solicitor in private practice, he joined Hill Samuel Bank's corporate finance department in 1985 before becoming head of M&A at securities house Smith New Court in 1990. Recruited to create and run the Mirror Group's TV business in 1993, his 300-strong division comprised a network of national and local broadcasters, an independent production company, a premium rate telephone service provider, and an airtime sales house. In 2001 Richard bought, refinanced and ran technology company Vio, later adding AdSEND in America, turning them into a world market leader in print advertising online delivery solutions. Living in New York for two years, he was instrumental in establishing AdsML as the global XML specification for managing print advertising workflows. After returning to the UK, in 2010 he partnered with Sony and three major local media companies to bid for the London TV franchise. Since then, Richard has been actively involved in independent video production, neighbourhood planning, and charitable activities, and is also an investor in businesses ranging from frozen food delivery to GP practice administration. Richard has an LLB (Hons) degree in law from Bristol University and passed the Solicitors Finals at the College of Law, Guildford

GRAHAME COOK – Non-executive Director

Grahame is an experienced public company Non-Executive Director, with over 20 years' experience as an audit and risk committee Chair. Grahame's background is in investment banking, with 20 years' experience of M&A, equity capital markets and corporate advisory. Grahame started his career at Arthur Andersen, where he qualified as a chartered accountant. Grahame sits on a number of technology and technology rich healthcare company boards, both listed and unlisted. Grahame currently serves as a Non-Executive Director of Molten Ventures plc, Advanced Medical Solutions Group plc and Minoan plc

CAROLINE WORBOYS – Non-executive Director

Caroline served as Chief Operating Officer and founder at Outra Ltd, a data specialist focused on multi-channel marketing, customer targeting and granular segmentation, until 2021. Caroline brings a wealth of experience in the data industry. After selling her data business to News International, Caroline went on to consolidate and lead the post- sales growth of their data-centric businesses as CEO of Broadsystem, and their future evolution post-second sales to Callcredit Information Group. After Callcredit was sold to private equity, Caroline headed Wunderman Data and Insights in Europe and then globally, based in their New York office. Caroline was Chair of the IDM (the Institute of Data & Marketing) for over 10 years, was on the board of the DM Trust Deputy Chair of the DMA (the Data & Marketing Association) for two years.

LAUREN KELLEHER – Group Financial Controller

Lauren is a seasoned Chartered Accountant (South Africa) who joined the company on 22 May 2024. Having qualified with PwC in 2011 and having worked on engagements in both Johannesburg and New York, she has since garnered experience across the media, tech and financial services industries within both public and private companies

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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

Fair review of the business

The Company was established in March 2021 as a Special Purpose Acquisition Company to seek acquisition targets in the digital media sector. In January 2022 its Ordinary shares were admitted to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange, following a successful placing of 40,000,000 Ordinary shares at £0.03 per share raising gross proceeds of £1,200,000 before expenses.

The principal activity of the Company during the period to 31 March 2024 was that of identifying potential companies, businesses, or assets for acquisition.

The company incurred a net loss of £1,367,797 in the year ended 31 March 2024 (2023: £537,690). At 31 March 2024, the company held cash at bank totalling £137 (2023: £491,635), and £650,000 of available loan facilities.

Post balance sheet events

In May 2024, the Company cancelled the listing of its Ordinary shares on the Standard Segment of the Official List and had its Ordinary shares admitted to trading on AIM, a market operated by the London Stock Exchange.

At the same time, it acquired 3radical through an all-share reverse takeover by issuing 61,184,843 ordinary shares at £0.021 per share valuing 3radical at £1,284,882; and issued a further 104,785,670 ordinary shares at £0.021 per share raising £2,200,499 before expenses, through a combination of subscription, placing, and the conversion of certain liabilities to new Ordinary shares.

As a result, the Company's principal activity changed to the provision of first-party data solutions for the digital marketing and advertising industry as well as identifying potential companies, businesses, or assets for acquisition.

In August 2024, the Company acquired Mymyne through an all-share acquisition by issuing 9,834,521 Ordinary shares at £0.0073 per share on completion, plus deferred consideration of up to a maximum of 11,191,665 Ordinary shares after a year subject to conditions, valuing Mymyne at a maximum of £153,491 at the closing mid-market price of the Company's Ordinary shares on 8 August 2024. At the same time, the Company issued a further 9,589,042 Ordinary shares at £0.0073 per share in satisfaction of £70,000 in fees to professional advisers.

Principal risks and uncertainties

The principal risks currently faced by the Company relate to:

The company's relationship with the directors and conflicts of interest

The Company is dependent on the directors to identify potential acquisition opportunities and to execute acquisitions. John Regan and Richard Horwood are executive directors and have committed their whole time to the Company's business. The non-executive directors allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs.

Reliance on external advisors

The directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted fail to perform as required.

Failure to obtain additional financing to complete an acquisition or fund a target's operations

There is no guarantee that the Company will be able to obtain any additional financing needed either to complete an acquisition or to implement its plans post acquisition or, if available, to obtain such financing on terms attractive to the Company. In that event, the Company may be compelled to restructure or abandon the acquisition or proceed with the acquisition on less favourable terms, which may reduce the Company's return on the investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business.

Reliance on income from the acquired activities

Following an acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide sufficient funds to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the ordinary shares.

Restrictions in offering ordinary shares as consideration for an acquisition or requirements to provide alternative consideration

In certain jurisdictions, there may be legal, regulatory, or practical restrictions on the Company using its ordinary shares as consideration for an acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company.

Key performance indicators (KPIs)

Following its establishment as a Special Purpose Acquisitions Company, the Board considered the only KPI at that stage of the Company's development was the completion of its first acquisition. That KPI was achieved on the reverse takeover of 3radical, when the Board established a Remuneration Committee comprising the non-executive directors, whose remit includes setting KPIs for the senior executives. The Remuneration Committee is consulting on appropriate KPIs in light of the rapidly evolving development of the Company and its businesses.

Gender analysis

A split of the Company's employees and directors by gender and average number during the year is shown below:

Directors	Male	Female
	5	0
Employees	Male	Female
	3	0

Statement by the directors in accordance with section 172(1) of the Companies Act

The directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the directors to:
• consider the likely consequences of any decision in the long term;
• act fairly between the members of the Company;
• maintain a reputation for high standards of business conduct;
• consider the interests of the Company's employees;
• foster the Company's relationships with suppliers, customers and others; and
• consider the impact of the Company's operations on the community and the environment.

The main decision made by the directors during the period was to use the net proceeds raised on the IPO in January 2022 in evaluating numerous acquisition opportunities and ultimately in the intended (and ultimately successful) transferring of the Company's listing to the AIM market of the London Stock Exchange and issuing shares to acquire 3radical and the associated fundraising.

Otherwise, the Company only has professional advisors and a limited number of suppliers, staff and others who require consideration by the directors, and there are no activities that could impact the community or environment. The directors acknowledge that the Company will seek to maintain a reputation for high standards of business conduct in its dealings with individual stakeholders.

The directors are confident that 3radical was a suitable acquisition upon which to base the Company's immediate future, subsequently enhanced through the Marcomms.ai joint venture with Exelia, and the acquisition of Mymyne.

ELECTRIC GUITAR PLC

On behalf of the Board

DocuSigned by:
John Hutchinson
.....709C7917296A46B........
John Hutchinson
Director
30 September 2024
30/9/2024 | 8:07 AM BST

DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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

The corporate governance statement set out on page 27 forms part of this report.

Principal Activities

The Company was formed on 24 March 2021 in England and Wales as a private company and was re-registered as a public company on 24 June 2021.

On 11 January 2022, the company was listed on the Official List of the London Stock Exchange, pursuant to Chapter 14 of the Listing Rules (which sets out the requirements for Standard Listings).

On 7 July 2023 the Company announced its agreement in principle to acquire through an all-share reverse takeover all the issued and to be issued shares in 3radical Limited, a software solutions business, which acquisition was completed on 3 May 2024.

The principal activity of the Company during the period was that of identifying potential companies, businesses or assets for acquisition; and, following the announcement of its agreement in principle to acquire 3radical in July 2023, negotiating the detail of that acquisition and conducting the related due diligence.

Since the year-end, in addition to completing the acquisition of 3radical and the associated fundraising, on 31 July 2024 the Company announced a joint venture with Exelia Technologies Limited to create AI-driven software solutions; and on 9 August 2024, the Company announced an agreement to acquire all the issued and to be issued shares in Mymyne Limited, a software and sales and marketing consultancy business, which all-share acquisition was completed on 28 August 2024.

Results and dividends

The results for the period are set out on page 42. See the Strategic Report for commentary on the results.

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

Going Concern

The financial statements have been prepared on a going concern basis. The Board has assessed the Company's financial position as at 31 March 2024 and 30 September 2024 and the factors which may impact the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. Subsequent to the year-end, the Company has acquired control of the businesses of 3radical Limited and Mymyne Limited (see note 18). Management and the directors have also considered what the Group (Electric Guitar PLC and its subsidiaries) is expected to look like following the completion of these business combination transactions, which includes the Group's working capital requirements over the period to 30 September 2025.

See note 2.2 for key matters assessed by the Directors in considering the ability of the Company to continue as a going concern for the period to 30 September 2025.

The directors have assessed that the ability of the Company to continue as a going concern is dependent on the Group achieving its sales forecasts for the periods to 30 September 2025. There is no guarantee that potential sales opportunities in the sales forecasts will be converted into actual sales contracts, orders, sales and cash receipts. In addition, lead times for conversion of sales opportunities into sales contracts, orders, sales and cash receipts could be longer than the periods assumed in its forecasts. Due to these factors, the group may require more financing than the current facilities available to it. There is no guarantee the directors would be successful in raising additional financing required for its future growth and working capital. This matter indicates that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern at the time of approval of the financial statements. The financial statements do not include adjustments should the going concern basis be inappropriate. Nonetheless, in view of the successful track record of raising financing in recent years from both equity and debt sources and other available funding options, the directors are confident they would be successful in raising any necessary financing within the next 12 months from the date of approval of the financial statements.

For these reasons, the directors continue to adopt the going concern basis in preparing the financial statements.

Directors

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

John Hutchinson	
John Regan	
Sarfraz Munshi	(Resigned 3 May 2024)
Richard Horwood	(Appointed 1 April 2023)
Grahame Cook	(Appointed 3 May 2024)
Caroline Worboys	(Appointed 3 May 2024)
David Eldridge	(Appointed 3 May 2024 and resigned 17 June 2024)

The directors did not hold indemnity policies in respect of their services as directors during the year. Subsequent to the year end, Directors and Officers insurance policies are now in place.

Directors' interests

The directors' interests in the shares of the company were as stated below:

Number of ordinary shares of 0.5p each held at 31 March 2024:

John Hutchinson	2,373,000
Sarfraz Munshi	Nil
John Regan	4,068,000
Richard Horwood	900,000

Remuneration committee

The Company has established a Remuneration Committee, comprising at least three non-executive directors, at least two of which must be independent. Members of the Committee are appointed by the Board in consultation with the Committee Chair, currently Caroline Worboys. It is responsible for determining and agreeing with the Board the framework for the remuneration of the executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of non-executive directors is a matter for the Chair of the Company and the executive members of the Board. No director is involved in any decision as to his or her own remuneration. The Remuneration Committee meets at least twice a year and otherwise as required.

Nominations committee

The Company has established a Nominations Committee, comprising at least three non-executive directors, at least two of which must be independent. Members of the Committee are appointed by the Board in consultation with the Committee Chair, currently John Hutchinson. It meets at least twice a year and otherwise as required to review the structure, size and composition of the Board, and to identify and nominate, for the approval of the Board, candidates to fill vacancies on the Board as and when they arise.

Audit committee and internal financial control

The Company has established an Audit Committee, comprising at least three non-executive directors, at least two of which must be independent. Members of the Committee are appointed by the Board in consultation with the Committee Chair, currently Grahame Cook. It meets at least three times a year: prior to the publication of the interim financial statements; at the planning stage of the annual year-end audit; and prior to the publication of the annual report which include the audited financial statements; and otherwise as required.

The Committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems, monitoring the need for and if necessary the effectiveness of the internal audit function and overseeing the relationship with the external auditors including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings.

Financial controls have been established to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

• the maintenance of proper records;
• a schedule of matters reserved for the approval of the Board;
• evaluation, approval procedures and risk assessment for acquisitions; and
• close involvement of the directors in the day-to-day operational matters of the Company.

Shareholder communications

The Company uses its corporate website (https://www.electricguitarplc.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The Annual General Meeting ("AGM") is used to communicate with both institutional shareholders and private investors, and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration, and there is a resolution to approve the Annual Report and Accounts. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

Directors' Remuneration Report

Directors' remuneration

During the year ended 31 March 2024, the Directors' emoluments were as follows:

Director	**Salary or fees**	**Benefits in kind**	**Pension contributions**	**Total for 2024**	**Comparison for 2023**
John Regan	36,000	-	1,328	37,328	36,000
John Hutchinson	36,000	-	-	36,000	24,000
Safraz Munshi	36,000	-	-	36,000	21,000
Richard Horwood	36,000	-	1,328	37,328	-

During the year ended 31 March 2024, John Hutchinson was entitled to an additional amount of £19,935 in relation to backpay earned in the year ended 31 March 2023.

Remuneration policies

The remuneration policy of the Company in effect as at 31 March 2024 was:

- John Regan was entitled to a salary of £36,000 per annum until such time as the Company completed its first acquisition, at which point he was entitled to a bonus of £50,000. He was also entitled to pension contributions by the Company of £1,328 during the year.

- John Hutchinson was entitled to a salary of £36,000 per annum until such time as the Company completed its first acquisition, at which point he was entitled to a bonus of £51,750
- Sarfraz Munshi was entitled to a director's fee of £36,000 per annum.
- Richard Horwood was entitled to a salary of £36,000 per annum until such time as the Company completed its first acquisition, at which point he was entitled to a bonus of £16,664. He was also entitled to pension contributions by the Company of £1,328 during the year.

With effect from 3 May 2024 (the date on which the Company completed its first acquisition) the remuneration policy was changed as follows:

- John Regan and Richard Horwood were each entitled to a salary of £72,000 per annum plus £14,400 per annum in lieu of benefits; plus a loyalty bonus of £78,000 each, payable on each anniversary of the Company's first acquisition (provided the Company's cashflow reasonably permits) less the amount (if any) by which their base salary of £72,000 per annum may have been increased by the Remuneration Committee in the first year following the first acquisition. Notwithstanding this contracted remuneration, each of them has agreed to defer £26,400 per annum of their respective salaries for 18 months from the date of the first acquisition, subject to the deferred amounts being paid plus a 100% uplift.
- John Hutchinson was entitled to a director's fee of £36,000 per annum. Notwithstanding this contracted remuneration, he has agreed to defer £18,000 per annum for 18 months from the date of the first acquisition, subject to the deferred amount being paid plus a 100% uplift.
- Grahame Cook and Caroline Worboys were each entitled to a director's fee of £36,000 per annum.

The Remuneration Committee will reassess an appropriate level of directors' remuneration, and the remuneration policy may be amended so as to attract, retain and motivate executive directors and senior management of a high calibre, with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. The Board believes that share ownership by directors and senior managers strengthens the link between their personal interests. Accordingly, a Long Term Incentive Plan, in which all the current directors participate, was adopted by the Company in General Meeting on 1 May 2024. This replaced warrants that had previously been issued to some of them and which have been surrendered. Directors also receive reimbursement for expenses incurred whilst performing services for the Company.

Service contracts

The Executive Directors have entered into Service Agreements with the Company and continue to be employed until terminated by the Company. In the event of termination or loss of office the directors are entitled only to payment of their basic salary and (where applicable) salary in lieu of benefits in respect of their notice period. In the event of termination or loss of office in the case of a material breach of contract, the directors are not entitled to any further payment.

Bonus and incentive plans

Warrant Instrument for A-Series Warrants

On 24 December 2021, the Company entered into a warrant instrument, pursuant to which the Company created A-Series warrants over Ordinary Shares of the Company.

Warrants over in aggregate 5,786,278 new Ordinary Shares at an exercise price per Ordinary Share equal to 150 per cent of the Placing Price of 3p. At Admission onto the Standard List, a total of 3,599,064 A-Series Warrants (the "Allocated A-Series Warrants") were granted to the directors (subject to the vesting provisions described below) in the following numbers:

John Regan	1,539,150
John Hutchinson	1,029,957

These warrants were surrendered and replaced by options under the Long Term Incentive Plan adopted by the Company in General Meeting on 1 May 2024.

Discretionary awards of Unallocated A-Series Warrants have been made and were vested on issue as follows:

- January 2023, John Regan 307,830
- January 2023, John Hutchinson 205,991
- January 2023, Sarfraz Munshi, 205,991
- May 2023, Richard Horwood 205,991

These warrants were also surrendered and replaced by options under the Long Term Incentive Plan adopted by the Company in General Meeting on 1 May 2024.

Warrant Instrument for B-Series Warrants granted to Axis Capital and Alexander David Securities Limited

On 24 December 2021, the Company entered into a Warrant Instrument, pursuant to which the Company granted 578,628 B-Series Warrants to Axis Capital and 578,628 B-Series Warrants to Alexander David Securities Limited. The B-Series Warrants, over in aggregate 1,157,256 new Ordinary Shares, are exercisable for three years from completion of the first Acquisition at a price per Ordinary Share equal to 150 per cent of the Placing Price.

Other matters

The Company had no pension plans for any of the directors during the year and did not pay contributions in relation to their remuneration, save for contributions towards John Regan's and Richard Horwood's SIPPs in lieu of an equal amount of their gross salary entitlement plus the minimum employer statutory contributions, and did not pay out any excess retirement benefits to any directors.

Supplier payment policy

The Company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU) and:

• settle the terms of payment with suppliers when agreeing the terms of each transaction;

• ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and

• pay in accordance with the Company's contractual and other legal obligations.

Substantial Shareholdings

At 30 September 2024 the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

Holding Percentage

Shareholder name	No. of shares	Holding %
Sanderson Capital Partners	46,990,471	19.32%
Tanvier Malik	13,812,782	5.68%
David Newton	11,450,465	4.71%
Jason Batten	8,787,285	3.61%

Disclosure and Transparency Rules

Details of the Company’s share capital and warrants are given in note 12 and in this report above. Save for directors’, some substantial shareholders’ and insiders’ dealing restrictions from time to time, there are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carries any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the directors and other significant shareholders as shown in this report above.

The provisions covering the appointment and replacement of directors are contained in the Company’s articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Auditor

Johnsons Chartered Accountants were appointed as auditor to the Company and audited the year ended 31 March 2023 Annual Report and Financial Statements. In accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the Annual General Meeting.

Energy and carbon report

As the Company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

DocuSigned by:
John Hutchinson
709C7917296A46B...
....
John Hutchinson
Director
30 September 2024
30/9/2024 | 8:07 AM BST

DIRECTORS RESPONSIBILITY STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards (UK adopted IFRS). 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 of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

Governance Report

The Board is committed to the principles of good corporate governance and believes that an effective corporate governance framework is essential to underpin the success of the business. The Board is committed to achieving the highest standards of integrity, ethics, professionalism and business practice throughout its operations.

The Company has therefore adopted the Quoted Companies Alliance (QCA) Corporate Governance Code (the "QCA Code") in line with the AIM Rules for Companies which require all AIM-quoted companies to adopt a recognised corporate governance code and to explain how the company complies with and where it departs from the chosen code. The QCA Code and associated guidance are available on the Quoted Companies Alliance website https://www.theqca.com/shop/guides/.

The Company has adopted UK MAR-compliant policies regarding directors' dealings.

Compliance with the QCA Code

Principle 1: Establish a strategy and business model promoting long-term value for shareholders

The Board is responsible to shareholders for setting the Group's strategy by maintaining the policy and decision-making process around which the strategy is implemented; ensuring that necessary financial and human resources are in place to meet strategic aims; monitoring performance against key financial and non-financial indicators; providing leadership whilst maintaining the controls for managing risk; overseeing the system of risk management; and setting values and standards in corporate governance matters.

The Company's strategy is to acquire and scale businesses that help marketers maximise the value of first-party data by curating, managing and deploying it, and in doing so making Electric Guitar the industry standard for first-party data solutions.

The Company pursues growth both by acquisition and organically. The Board employs strict capital discipline and a robust filtering process when reviewing acquisition opportunities.

The Directors believe that the Company's model and growth strategy helps to promote long-term value for shareholders. An update on the Company's strategy is included above.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board endeavours to engage in clear and consistent dialogue with both existing and potential shareholders to understand their needs and expectations, and to ensure that the Company's strategy, business model and progress are clearly understood. The Board also maintains regular contact with its advisers in order to ensure that the Board develops an understanding of the views of the investor community about the Company.

The Board communicates with its shareholders through:

- the Company's annual report and accounts;
- the Company's interim and full-year results announcements;
- trading updates (where required or appropriate);
- presentations to shareholders from time to time;
- the Company's annual general meetings; and
- the investor relations section of the Company's website.

Unpublished price sensitive information is disclosed in as timely a manner as possible and within regulatory requirements for disclosure via a Regulatory Information Service.

The Board views the Company's annual general meeting ("AGM") as an important forum for communication between the Company and its shareholders and encourages shareholders to express their views on the Company's business activities and performance. The chairs of the Board and all committees, together with all other Directors, routinely attend the AGM and are available to answer questions raised by Shareholders. The Board engages with shareholders who do not vote in favour of resolutions at the AGM to understand their motivation.

At other times the Chair is the primary contact for shareholders and shareholders can email questions and comments via the Company's investor relations agents. Regular meetings are held between the senior management of the Company and institutional investors and analysts to ensure that the Company's strategy, financials and business developments are communicated effectively.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises the importance of corporate social responsibility, and takes account of the interests and feedback from all the Company's stakeholders, including its investors, customers, suppliers, partners and employees when operating the Group's business.

During the year the Company's operations were located in the UK. Subsequent to year-end, the Company's operations are located in the UK and Singapore. The Company's local managers provide a first point of contact for stakeholders to receive information on the Company's activities and provide feedback on any issues or concerns they may have.

The Board believes that fostering an environment in which employees act in an ethical and socially responsible fashion is critical to its long term success. The Company ensures continued engagement with its employees, clients, suppliers, shareholders and the wider public via:

- having processes in place designed to ensure regular dialogue between employees and senior management; and
- technological means, using the functionality of social media platforms and software to gain insights and feedback from its clients, suppliers, partners and the public.

Principle 4: Embed effective risk management, considering both opportunities and threats throughout the organisation

The principal risks facing the Company are set out above. The Company recognises that risk is inherent in all of its business activities and is an important part of the Board's formulation of strategy. The overall objective of the Board is to set policies that reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The Board is assisted in this matter by the Audit Committee.

The Board routinely monitors risks that could materially and adversely affect the Company's ability to achieve its strategic goals, financial condition and results of operations. The effectiveness and adequacy of mitigating controls are assessed and if additional controls are required, these will be identified and responsibilities assigned. The Board is supported by senior management personnel who collectively play a key role in risk management and regularly report to the Board.

A review of these risks is carried out on an annual basis and each year the Company's annual report and accounts contains a section setting out what the Board considers to be the main risks faced by the Company. For future years, this will be performed for the Group.

The Company maintains commercial insurance at a level it believes is appropriate against certain risks commonly insured in the industry in which the Company operates.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

The Board comprises five directors, of whom John Regan and Richard Horwood are executive directors and John Hutchinson, Caroline Worboys and Grahame Cook are non-executive directors. Caroline Worboys and Grahame Cook are independent non-executive directors.

The biographies of the directors are set out above. The Board is satisfied that it has a suitable balance between independence and knowledge of the Company to enable it to discharge its duties and responsibilities effectively.

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties. During a normal financial year at least 6 formal Board meetings take place. The Board is responsible for the management of the Company's business (including formulating, reviewing and approving the Company's strategy, financial activities and operating performance), for which purpose the directors may exercise all the powers of the Company. The directors may delegate such powers to any person or committee as they think fit and those powers may be sub-delegated with the authority of the directors. The directors may revoke any delegation of powers.

The Board has established Audit, Remuneration and Nominations Committees with formally delegated duties and responsibilities. Each committee is currently comprised entirely of non-executive directors, and a majority of independent non-executive directors.

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its directors, and changes to these commitments and interests must be reported to and, where appropriate, agreed with the rest of the Board.

Principle 6: Ensure that between them directors have the necessary up-to-date experience, skills and capabilities

The directors come from a range of backgrounds and have a wide variety of experience and traits which means that the Board is satisfied that it is well balanced and has the skills, and other attributes appropriate for the size and stage of development of the Company necessary to deliver the Company's strategy. The biographies of the directors which are set out above describe the relevant skills and experience of each of the directors.

The Nominations Committee is responsible for continuing to evaluate the balance of skills, knowledge and experience and the size, structure and composition of the Board and its committees, retirements and appointments of additional and replacement directors and committee members and making appropriate recommendations to the Board on such matters.

The Company's Articles of Association provide that the minimum number of directors shall be two, with no maximum. At every AGM, the number nearest to one third of the directors must retire from office, and shall include those (i) appointed by the Board since the last AGM, (ii) who did not retire at either of the previous two AGMs, and (iii) who, other than executives, have held office with the Company for nine years or more. Any retiring director is eligible for re-appointment.

The Company Secretary provides directors with updates on key developments relating to the Company and legal, HR and governance matters (including advice from the Company's brokers, lawyers and advisers).

The Board has not yet adopted any formal policy on its own diversity but it is committed to fair and equal opportunity subject to ensuring appointees are appropriately qualified and experienced for their roles.

The Company retains the services of independent advisers including financial, legal, and investor relations advisers that are available to the Board and who provide support and guidance to the Board and complement the Company's internal expertise. The directors receive relevant training, and have access to such specialist advice, to ensure they are able to conduct themselves in accordance with evolving regulations and best practice, and to fulfil their roles satisfactorily.

Principle 7: Evaluate Board performance based on clear and relevant objectives seeking continuous improvement

The Company's process for evaluating the performance of the Board, its committees and individual directors, is primarily undertaken by the Nominations Committee. The Nominations Committee regularly reviews the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and makes recommendations and reviews the results of any Board performance evaluation process that relates to the composition of the Board.

The Nominations Committee also makes recommendations to the Board concerning plans for succession for both executive and non-executive directors and any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company (subject to the provisions of the law and their service contract).

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Company is committed to ensuring that it operates according to the highest ethical standards and the Board has primary responsibility for achieving this. The directors believe that the main determinant of whether a business behaves ethically and with integrity is the quality of its people and the Board, together with the Group's HR function, takes great care to ensure that all individuals employed by the Group demonstrate the required high levels of integrity. The Group has also adopted formal policies addressing, inter alia, bribery and corruption, the use of social media and a code for dealing in the Company's shares.

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The culture is set by the Board and is considered and discussed at Board meetings, and the Board is aware that the tone and culture it sets impacts all aspects of the Company and the way that employees behave. The Board promotes a culture of integrity, honesty, non-discrimination, trust and respect, and all employees of the Company are expected to operate in an ethical manner in all of their internal and external dealings.

The Company strives to be a good corporate citizen and respects the laws of the countries in which it operates. Each year the Company's annual report and accounts will, as appropriate in the context of the evolving nature of its business and stage of its development, address its people, its values, diversity, employee welfare and involvement, employment, training, career development and promotion of disabled persons, health and safety, ethical and social policies, human rights, product development, impact on the environment, greenhouse gas emission and slavery and human trafficking.

Principle 9: Maintain governance structure and processes that are fit for purpose and support good decision-making by the Board

The Chair leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team.

The Board meets at least six times a year and more frequently as required, and supplements its meetings with frequent telephone and online discussions. In accordance with the Company's Articles, the presence of at least two directors will be required to form a quorum. An agenda and supporting documentation, including management accounts, are circulated at least five days in advance of each meeting.

The Board is collectively responsible for the long-term success of the Company and provides leadership to the Company within a framework of effective controls, checks and balances. The senior management team, led by the Chief Executive, is responsible for the day to day running of the business, with key decisions (including those considered to directly relate to implementation of the Company's strategy) being reserved for the Board.

The Board has established an Audit Committee, a Remuneration Committee and a Nominations Committee. Relevant matters are considered by each committee and recommendations are taken to the full Board. Each committee meets at least twice per year and otherwise as required. The role of each committee established by the Board is summarised above.

The Board reviews the Company's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board recognises that it is accountable to shareholders for the performance and activities of the Company and to this end is committed to maintaining good communication and having constructive dialogue with its shareholders.

The Board communicates with shareholders in a number of ways, including via:

- the Company's annual report and accounts;
- the Company's interim and full-year results announcements;
- RNS announcements; and
- the Company's AGM.

The Board considers the Company's AGM to be an important forum for communication between the Company and its shareholders and encourages shareholders to express their views on the Company's business activities and performance.

ELECTRIC GUITAR PLC

A range of corporate information, including annual reports, notices of general meetings and other regulatory announcements, is available to shareholders, investors and the public in general through the Company's website https://www.electricguitarplc.com which is updated on a regular basis.

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC

Opinion

We have audited the financial statements of Electric Guitar PLC (the 'Company') for the year ended 31 March 2024 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Company's financial statements is applicable law and UK adopted International Financial Reporting Standards (UK adopted IFRS).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024, and of the Company's loss for the year then ended;
- have been properly prepared in accordance with UK adopted IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to note 2.2 of the financial statements which indicates the directors' consideration over going concern. The Company's ability to continue as going concern is dependent on the Group (Electric Guitar plc and its subsidiaries) achieving its sales forecasts for the periods to 30 September 2025. There is no guarantee that potential sales opportunities in the sales forecasts will be converted into cash. In addition, lead times for conversion of sales opportunities into cash could be longer than the periods assumed in its forecasts. Due to these factors, the group may require more financing than the current facilities available to it. There is no guarantee the directors would be successful in raising additional financing required for its future growth and working capital.

As stated in note 2.2, these events or conditions, along with other matters set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern. Our opinion is not modified in respect of this matter.
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have presented a risk of material misstatement. The scope of our audit was influenced by the level of materiality we determined.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of their activities, the accounting processes and controls, and the industry in which the Company operates. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risks.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether due to fraud or error) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

Key Audit Matters (continued)

Key audit matter description	How the matter was addressed in our audit
Going Concern We draw your attention to note 2.2 of the financial statements which indicates the directors' consideration of going concern.	The procedures performed on going concern included: • We obtained and reviewed management's assessment and the cash flow forecasts and sales forecasts for the company and its subsidiaries (the Group) for a period of at least 12 months from the date of approval of the financial statements. • We assessed the reasonableness of assumptions considered by management in the cash flow forecasts and challenged the rationale for the use of certain assumptions in relation to conversion success rates regarding converting sales opportunities in the latest sales pipeline into cash from sales wins and lead times assumptions for turning sales opportunities into sales and cash. We assessed the growth levels in revenue in the forecasts with reference to historic sales levels and latest industry data in the market from third party sources and enquiries with the CEO and key sales personnel of the business. We considered if alternative assumptions should be included in the cash flow forecasts. • We reviewed management's year-to-date results and cash flows from operating activities in FY 2024/25 and corroborated these to latest management accounts • We examined the loan agreement executed in March 2024 which provided additional financing to the Group and was unutilised as at the year-end. • We checked the amounts of utilised and unutilised loans as at 31 March 2024 and 30 September 2024 to loan agreements, bank statements and amounts drawn down in the accounting records.

	• We discussed and assessed financing options available to the directors in raising sufficient financing should this be required by the Company to fund future growth and working capital for the Group. • We assessed the appropriateness of the disclosures in the financial statements. We have concluded that a material uncertainty exists in relation to going concern (see Note 2.2). The directors' use of the going concern basis of accounting in the preparation of the financial statements is consistent with the requirements of UK adopted IFRS and applicable law.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of the identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Overall materiality	£26,000 (2023: £4,548)
Basis for determining overall materiality	We determined materiality based on 2.5% of the net assets (2023: 1% of the net assets). We have considered the primary users of the financial statements to be shareholders (including target entities for acquisition) and UK regulators (FRC and FCA). As a Special Purpose Acquisition Company, the Company's principal activities is the sourcing and acquisition of Companies and managing its investments in subsidiaries/joint ventures. We have assessed that the net worth of the business is an appropriate measure on which to base Materiality. This is consistent with the prior year.
Performance materiality	£16,900 (2023: £2,274) for higher risk areas, £19,500 (2023: £2,274) for low risk areas We set the performance materiality based on 65% and 75% of overall materiality respectively.

	Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of the uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In determining performance materiality, we considered several factors including our understanding of the control environment of the Company.
Error reporting threshold	We agreed to report any correct or uncorrected adjustments exceeding £780 (2023: £227) to the Board of Directors as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Other information

The other information comprises the information in the annual report other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 during the audit:

- the information given in the Strategic Report and the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Directors Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained during the audit, we have not identified material misstatements in the Chairman's statement incorporating review of operations, the Strategic report, and the Directors report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting material misstatement due to a fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, deliberate concealment by, for example, forgery or intentional misrepresentations.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risk of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussions with the directors, we obtained an understanding of the legal and regulatory framework applicable to the Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Company including the listing rules of the London Stock Exchange.

- We enquired of the directors and management concerning the Company's policies and procedures relating to:
    - Identifying, evaluating, and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
    - Detecting and responding on the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
    - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates.

INDEPENDENT AUDITOR'S REPORT
to the Members of Electric Guitar PLC (continued)

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through review of the minutes of the Company's Board of Directors and inspection of legal and regulatory correspondence.

- we performed audit procedures in connection with the risks identified including:

  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.

  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations.

  - evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

  - enquiry of management around actual and potential litigation and claims.

  - testing material transactions with related parties and key individuals and assessing their completeness.

  - challenging the assumptions and judgments made by management in relation to significant accounting estimates; and

  - obtaining confirmations from third parties to confirm existence of certain balances.

- we communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

We did not identify any material audit matters related to the potential risk of fraud or non-compliance with laws and regulations from the above audit procedures.

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 auditor's report.

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Edmund Cartwright, FCCA MAAT (Senior Statutory Auditor)
for and on behalf of Johnsons Chartered Accountants, Statutory Auditor
London, United Kingdom
Date: 30th September 2024

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2024

	Note	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Administration expenses			
- Acquisition costs	5	(927,605)	-
- Other costs	4	(447,547)	(544,420)
Operating loss		**(1,375,152)**	**(544,420)**
Finance income- interest received		7,355	6,730
Loss before income tax	7	**(1,367,797)**	**(537,690)**
Income tax	8	-	-
Loss and other comprehensive income for the year		**(1,367,797)**	**(537,690)**
Loss per share			
Basic (pence)	6	(2.36)	(0.93)
Diluted (pence)	6	(2.36)	(0.93)

There was no other comprehensive income for the year(2023: £nil).

The notes on pages 46 to 61 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

	Note	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		5,529	-
CURRENT ASSETS			
Other receivables	9	75,745	29,533
Cash and cash equivalents	10	137	491,635
		75,882	**521,168**
TOTAL ASSETS		**81,411**	**521,168**
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	11	289,314	289,314
Share premium	13	948,629	948,629
Accumulated losses	13	(2,150,874)	(783,077)
TOTAL EQUITY- (deficiency)		**(912,931)**	**454,866**
LIABILITIES			
CURRENT LIABILITIES			
Financial liabilities			
Borrowings	14	251,928	-
Trade and other payables	15	742,414	66,302
TOTAL LIABILITIES		**994,342**	**66,302**
TOTAL EQUITY AND LIABILITIES		**81,411**	**521,168**

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2024 and were signed on its behalf by:

DocuSigned by:
John Hutchinson
709C7917296A46B...
....

John Hutchinson
Director
30/9/2024 | 8:07 AM BST

The notes on pages 46 to 61 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2022	289,314	948,629	(245,387)	992,556
Change in equity				
Loss for the year	-	-	(537,690)	(537,690)
At 31 March 2023	289,314	948,629	(783,077)	454,866
Change in equity				
Loss for the year	-	-	**(1,367,797)**	**(1,367,797)**
At 31 March 2024	**289,314**	**948,629**	**(2,150,874)**	**(912,931)**

The notes on pages 46 to 61 form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Cash flow from operating activities		
Loss for the year	(1,367,797)	(537,690)
Adjustments for:		
Finance income	(7,355)	(6,730)
Depreciation charges	257	-
(Increase)/decrease in other receivables	(46,212)	2,254
Increase in trade and other payables	676,112	30,740
Net cash used in operating activities	**(744,095)**	**(511,426)**
Cash flow from investing activities		
Finance income	7,355	6,730
		-
Purchase of tangible fixed assets	(5,786)	
Net cash from / (used in) investing activities	**1,569**	**6,730**
Cash flow from financing activities		
Borrowings during the year	251,928	
Net cash from financing activities	**251,928**	**-**
Net increase/(decrease) in cash and cash equivalents	**(491,498)**	**(504,696)**
Cash and cash equivalents at the beginning of the year	**491,635**	**996,331**
Cash and cash equivalents at the end of the year	**137**	**491,635**

The notes on pages 46 to 61 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

1. General information

Electric Guitar Plc is a public limited company, registered in England and Wales. The Company's registered office is One Bartholomew Close, London, EC1A 7BL. The Company's principal activities and the nature of its operations are disclosed in the director's report.

The functional and presentational currency is Great British Pounds Sterling ("£") and the financial statements have been rounded off to nearest £.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared under historical cost convention, in accordance with UK adopted International Financial Reporting Standards (UK adopted IFRS) and the Companies Act 2006.

The following accounting principles have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The board has assessed the Company's financial position as at 31 March 2024 and 30 September 2024 and the factors which may impact the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. Subsequent to the year-end, the Company has acquired control of the businesses for 3radical Limited and Mymyne Limited (see note 18). Management and the directors have also considered what the Group (Electric Guitar Ltd and its subsidiaries) is expected to look like following the completion of these business combination transactions, which includes the Group's working capital requirements over the period to 30 September 2025.

At as 31 March 2024, the Company had a deficiency in total equity of £913k. The Company also generated a loss for the year ended 31 March 2024 of £1,368k and a net cash outflow from operating activities of £745k. The Group has also incurred a loss for the current period and a net cash outflow from operating activities of approximately £1.2m for the period to 30 September 2024.

In assessing the ability of the Company to continue as a going concern and pay its debts as and when they fall due, the directors have taken into consideration the following matters:

2. Accounting policies (continued)

- On 26 March 2024, the Group secured an additional loan facility with Sanderson Capital Partners of £600k. As at 31 March 2024, the Group had unutilised loan facilities of £650k.

- Management has prepared detailed cash flow forecasts and sales forecasts for the Group for the period September 2024 to September 2025. The Group is forecast to generate a significant increase in sales and cash receipts from customers and continue to operate within its agreed loan facilities for all periods from September 2024 to the end of September 2025. The directors have reviewed and approved these forecasts.

- As part of its assessment of the forecasts, certain sensitivity analyses were run on the forecast models. In the event the Group's actual sales for the period ended 30 September 2025 were lower than forecast by 20% and certain controllable costs were to be deferred, the Group would still have the ability to operate within its agreed loan facilities and pay its debts as and when they fall due for the same periods as above.

- The Group has a strong sales pipeline which continues to grow in size both in terms of potential total contract values and the number of opportunities with high profile international blue-chip businesses.

Based on the above matters, the directors have assessed that the ability of the Company to continue as a going concern is dependent on the Group achieving its sales forecasts for the periods to 30 September 2025. There is no guarantee that potential sales opportunities in the sales forecasts will be converted into actual sales contracts, orders, sales and cash receipts. In addition, lead times for conversion of sales opportunities into sales contracts, orders, sales and cash receipts could be longer than the periods assumed in its forecasts. Due to these factors, the Group may require more financing than the current facilities available to it. There is no guarantee the directors would be successful in raising additional financing required for its future growth and working capital. This matter indicates that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern at the time of approval of the financial statements. The financial statements do not include adjustments should the going concern basis be inappropriate. Nonetheless, in view of the successful track record of raising financing in recent years from both equity and debt sources and other available funding options, the directors are confident they would be successful in raising any necessary financing within the next 12 months from the date of approval of the financial statements.

For these reasons, the directors continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies (continued)

2.3 Foreign currency translation

Transactions in currencies other than the functional and presentation currency of the Company, pound sterling, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities that are determined in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Gains or losses arising from on retranslation of the monetary assets and liabilities are included in profit or loss for the period.

2.4 Taxation

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

Current tax
The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on 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 accounting for using the liability method.

Deferred tax assets are recognised on tax losses when there is convincing evidence that the Company will generate sufficient future taxable profits in the foreseeable future against which the tax losses can be utilised to reduce the Company's liabilities to corporation tax.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

2. Accounting policies (continued)

2.6 Share capital and share premium

Share capital represents the nominal value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transactions costs associated with the issuing of shares are deducted from share premium.

2.7 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.8 Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

2.9 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accruals and accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024 (continued)

2. Accounting policies (continued)

2.10 Financial liabilities

All financial liabilities are recognised in the statement of financial position when the Company becomes party to the contractual provision of the instrument.

Financial liabilities measured at amortised cost

The Company's financial liabilities held at amortised cost comprise trade payables and other payables and borrowings.

These financial liabilities are initially measured 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 the effective interest rate method, which ensures that any interest expense over the period to repayment is at a market rate on the balance of the liability carried in the statement of financial position.

Subsequent measurement

The amortised cost of a financial liability is the amount at which the financial liability is measure on initial recognition, minus the principal repayments, plus or minus the cumulative amortisation using effective interest method of any difference between the initial amount recognised and the maturity amount. Such amortisation amounts are recognised in the statement of comprehensive income. Due to the short-term nature of trade and other payables, they are stated at their nominal value, which approximates their fair value.

2.11 Share warrants

The Company has granted A-series warrants to directors and B-series warrants to service providers for services received at the time of listing in a prior period.

The A-series warrants and B-series warrants are issued to directors and service providers in respect of the service provided. The grant of the share warrants is recognised as equity settled share-based payments under IFRS 2. The warrants can be exercised by the holder of the warrants prior to the exercise date for a fixed number of equity shares at fixed price. The value of the share-based warrants is determined at the date of grant and expensed on a straight-line basis over the vesting period with a corresponding increase in equity based on the Company's estimate of the shares that will eventually vest at the time of the grant. At each balance sheet date, the Company revises its estimates of the number of warrants that are expected to vest based on service and non-market performance conditions.

2. Accounting policies (continued)

2.11 Share warrants (continued)

The Company takes into account the market condition (i.e. target share price being in excess of the exercise price) at the time of estimating the fair value of the warrants. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest, except for changes resulting from any market-related performance conditions.

2.12 Capital management

Capital consists of ordinary shares, share premium and retained losses. The Board monitors the return on capital. The Company is not subject to any externally imposed capital requirements.

2.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.14 Adoption of new and revised standards and changes in accounting policies

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 April 2023 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. Critical accounting judgements and estimates

The preparation of the financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgment in applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including future conditions that are assessed to be reasonable under the circumstances.

3. Critical accounting judgements and estimates (continued)

Classification of share warrants (note 11)

Management considers that the share warrants issued to directors and service providers are considered as equity settled share-based payments ("SBP") as these warrants are issued for the services received and can be exchanged only for a fixed number of equity shares at fixed price.

The measurement of the SBP expense recognised through profit or loss requires estimation of future fair values of instruments of instruments expected to vest.

4. Employees and directors remuneration

	31 March 2024 £	31 March 2023 £
Wages and salaries	220,255	74,700
Social security costs	14,413	3,908
Other pension costs	6,469	-
	241,137	**78,608**

The average number of employees and directors during the year was as follows:

	31 March 2024	31 March 2023
Administration	5	3

The remuneration paid to directors is provided in the director's report accompanying the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024 (continued)

5. Acquisition costs
During the year, the Company incurred one-off expenses towards the planned acquisition of 3Radical Limited as part of the reverse takeover.

	31 March 2024 £	31 March 2023 £
Legal fees	393,276	-
Corporate Finance & Brokerage	115,197	-
Accountancy Advice	235,090	-
Consultancy & Professional Advice	124,500	-
Financing fees	41,928	-
Listing fees	17,614	-
	927,605	**-**

6. Loss per share

Basic earnings per share is calculated by dividing the loss attributable in the period to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding any ordinary shares purchased by the Company and held as treasury shares.

	31 March 2024 £	31 March 2023 £
Loss for the year/period attributable to equity holders of the Company	(1,367,797)	(537,690)
Weighted average number of ordinary shares	57,862,776	57,862,776
Loss per share (pence)	**(2.36)**	**(0.93)**

Share warrants issued by the Company have an anti-dilutive effect on loss per share. Hence, under IAS requirements diluted loss per share is shown as being the same as basic loss per share.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

7. Loss before income tax

The loss before income tax is stated after charging:

	31 March 2024	31 March 2023
	£	£
Auditor's remuneration		
- For audit services	29,500	20,000
- For non-audit services	16,000	-
	45,500	**20,000**

Income tax

No liability to UK corporation tax arose for the year ended 31 March 2024 nor for the year ended 31 March 2023 as the Company generated tax losses for both years.

Prima facie tax reconciliation

The loss for the year was £1,368k (2023: £538k). For the year ended 31 March 2024, the standard rate of corporation tax in the UK is 25% (2022: 19%). The rate of corporation tax applicable in UK for profits up to £50k is 19%.

The expected tax credit on the loss for the year is £88k (2023: £73k). Actual tax credit recognised for the year was £NIL (2023: £Nil). The main reasons for the differences for both periods are tax losses not recognised due to uncertainty of taxable profits being generated in the foreseeable future.

Unrecognised tax losses

The Company has tax losses available for offset against taxable profits in future periods of £846k as at 31 March 2024 (2023: £383k).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

8. Other receivables and prepayments

	31 March 2024 £	31 March 2023 £
Other receivables	-	53
VAT receivable	63,703	19,781
Prepayments and accrued income	12,042	9,699
	75,745	**29,533**

The directors consider that the carrying amount of other receivables and VAT receivable approximates to their fair value.

9. Cash and cash equivalents

	31 March 2024 £	31 March 2023 £
Cash at bank and in hand	137	491,635

10. Share capital

	31 March 2024 £	31 March 2023 £
Authorised share capital		
57,862,776 Ordinary shares of 0.5p each	289,314	289,314
Issued and fully paid		
57,862,776 Ordinary shares of 0.5p each	289,314	289,314
	289,314	**289,314**

The ordinary shares carry voting and dividend rights.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

11. Share warrants

The company issued A-series warrants and B-series warrants to directors and service providers respectively. These warrants are exercisable at a price of 4.5p. The vesting period of the various warrant instruments are as provided below:

- Allocated A-series warrants vests over a period of 5 years, and should the options remain unexercised they lapse after the seventh anniversary of admission.
- Unallocated A-series (discretionary) warrants which are granted in the current year are vested on the date of grant and should the options remain unexercised they lapse after the seventh anniversary of admission.
- B-series warrants are vested on the date of grant, and should the options remain unexercised they lapse after the third anniversary of admission.

Warrants are valued using the Black Scholes option pricing model. The following table summarise the warrants outstanding at the end of the year and movements during the year.

	A-series warrants	B-series warrants
Outstanding at 31 March 2022	3,599,064	1,157,256
Granted during the period	719,812	-
Forfeited during the period	-	-
Expired during the period	-	-
Exercised during the period	-	-
Outstanding at 31 March 2023	**4,318,876**	**1,157,256**
Granted during the year	205,991	-
Forfeited during the year	-	-
Expired during the year	-	-
Exercised during the year	-	-
Outstanding at 31 March 2024	**4,524,867**	**1,157,256**
Options vested and not exercised as at 31 March 2024	2,365,429	1,157,256
Options vested and not exercised as at 31 March 2023	1,439,625	1,157,256

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024 (continued)

12. Share warrants (continued)

The assumptions considered in the valuation of the warrants using the black-sholes model is as given below:

	31 March 2024
Exercise price	4.5 pence
Share price at date of grant	3 pence
Risk free interest rate	1.25%
Volatility	16%
Dividend yield	0%
Contractual life of A-series warrants	7 years
Contractual life of B-series warrants	3 years

The fair value of both A-series warrants, and B-series warrants as of 31 March 2024 is £nil (2023: £nil).

See note 18 for changes to share warrants subsequent to the year-end.

13. Reserves

Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Accumulated losses

This reserve records retained earnings and accumulated losses.

14. Financial Liabilities - Borrowings

	31 March 2024	**31 March 2023**
	£	**£**
Current:		
Borrowings	251,928	-

Term and debt repayment schedule

	Less than 1 year
	£
Borrowings	251,928

14. Financial Liabilities – Borrowings (continued)

On 27 October 2023, an unsecured loan facility of £250k was agreed with Sanderson Capital Partners Limited, a related party (the "£250k Facility"). A facility fee of £25k was incurred in addition to a drawdown fee of 10 percent per tranche to be paid on repayment date. No interest accrued. Of this facility, £50k was drawn down on 13 November 2023 and a further £150k on 6 December 2023, leaving £50k still available as at the year-end, and which has since been drawn down.

On 26 March 2024, a further unsecured loan facility of £600k was agreed with Sanderson Capital Partners Limited (the "£600k Facility"). A facility fee (to be satisfied in shares on the Company's AIM Admission) of £100k was incurred in lieu of any further costs of the £600k Facility, with a repayment date of 12 months from the Company's AIM Admission, and an option to extend for a further 8 months for an additional facility fee of £15,000 payable at the end of that extended period.

On 3 May 2024, the £250k Facility and all associated fees, and all fees associated with the £600k Facility, were settled in full by the issue of 20,238,095 shares in the Company at a price of 2.1p per share.

Of the £600k Facility, £50k was drawn down on 19 September 2024.

As at year-end, the borrowings balance included associated facility fees (£42k) and legal fees (£10k).

15. Trade and other payables

	31 March 2024	**31 March 2023**
	£	**£**
Trade creditors	376,824	16,001
Social security and other taxes	11,705	3,702
Other creditors	3,720	-
Pension payable to directors' personal SIPPs	4,578	-
Accrued expenses	345,587	46,599
	742,414	**66,302**

Trade payables and accruals primarily comprise amounts payable for services received from third parties. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The directors considers that the fair value approximates the carrying value.

16. Financial risk management

The Company's activities expose it to liquidity risk, credit risk and foreign exchange risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity instruments.

The capital structure of the Company consists of debt, cash and cash equivalents and equity comprising share capital and reserves. The Company reviews the capital structure annually and as part of this review considers the cost of capital and risks associated with each class of capital and debt.

Liquidity risk

Responsibility for management of liquidity risk rests with the board of directors, which has established an appropriate liquidity risk framework for the management of the Company's funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, debt facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Foreign exchange risk

The Company makes some purchases in foreign currencies. The payments in foreign currency are made using the exchange rates on the date of payment. As of year-end, the Company did not have any payables in foreign currency.

17. Related party transactions

During the year, the Company entered into the following transactions with related parties, all of which were conducted on an arm's length basis:

- The Company purchased services of £206,750 (2023: £10,112) from BDB Pitmans LLP. The amount payable as at year-end is £240,900 (2023: Nil). John Hutchinson serves as chairman of the Company and is managing partner of BDB Pitmans LLP.

- The Company purchased services of £36,000 (2023: £21,000) from Belmont Partners. The amount payable as at year-end is £7,200 (2023: Nil). Sarfraz Munshi was a director of the Company as at the end of financial year 2024 and also director of Belmont Partners.

- The Company purchased services of £95,000 (2023: Nil) from Mymyne Ltd. The amount payable as at year-end was Nil (2023: Nil). John Regan is a director of the Company and also director of Mymyne Ltd.

- See note 14 in relation to borrowings entered into with Sanderson Capital Partners Limited.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024 (continued)

18. Post balance sheet events

On 3 May 2024, the Company acquired the entire issued share capital of 3radical Limited. At the same time, the Company cancelled its listing on the London Stock Exchange's Standard List, and had its ordinary share capital, as enlarged following completion of the Transaction at the negotiated value of £1.3 million paid in shares and of a successful £2.2 million equity fundraising, admitted to trading on the AIM Market of the London Stock Exchange.

On 3 May 2024, 3,494,910 A warrants were surrendered. These were replaced by an LTIP including options over 34,046,353 shares to the Directors. 205,991 warrants were issued to a former director. 2,238,833 warrants were issued to each of the brokers: namely Axis Capital Markets Limited, Global Investment Strategy Limited and Allenby Capital Limited. All options and warrants have an exercise price of 2.1p and the exercise period is 10 years from AIM Admission for the options issued under the LTIP and 3 years for the warrants.

On 9 August 2024, 9,589,042 shares were issued to certain professional advisors and consultants to settle their fees. Included in this amount was 5,479,452 shares issued to Tanvier Malik in relation to his role as Capital Markets Consultant. Since Mr Malik controls Sanderson Capital Partners Limited, this transaction constitutes a related party transaction.

On 28 August 2024, the independent directors of the Company, following careful review and consultation with its nominated adviser Allenby Capital Limited and approval of the transaction by shareholders in General Meeting on 27 August 2024 as a related party transaction, completed an all-share acquisition of Mymyne Limited, valuing it at up to a maximum of approximately £154,000 based on the closing mid-market price of the Company's shares immediately prior to announcing the proposed acquisition on 9 August 2024. The transaction was settled by the issue of 9,834,521 ordinary shares in the Company. This has brought Mymyne's capabilities in-house and has achieved substantial cost-savings that will more than offset the value of the consideration, and added additional software to enhance 3radical's product offering.

19. Controlling party

The Company considers that there is no ultimate controlling party.