Gfinity plc

Annual Report and
Financial Statements
30 June 2022

Company number 08232509

Contents

Strategic Report

Directors, Secretary and Advisors

The Board of Directors	Neville Upton (Chairman) John Clarke (Chief Executive Officer) Jonathan Hall (Chief Financial and Operations Officer) Leonard Rinaldi (Non-Executive Director) Hugo Drayton (Non-Executive Director)
Company Secretary	Jonathan Hall
Registered Office	16 Great Queen Street London WC2B 5AH
Nominated Adviser and Broker	Canaccord Genuity Limited 88 Wood Street London, EC2V 7QR
Independent Auditors	Jeffreys Henry Audit Limited 5-7 Cranwood Street London EC1V 9EE
Legal Advisers	*Corporate* Fladgate LLP 16 Great Queen Street London WC2B 5DG *Commercial* Onside Law 642A Kings Road Fulham London SW6 2DU
Registrars	Link Group 6th Floor 65 Gresham Street London EC2 7NQ
Registered Number	08232509

Strategic Report

Period Highlights

Financial highlights

- Reduction of 28% in Adjusted Operating Loss to £2.0m (2021: £2.7m), building on reductions of 50% in 2021 and 36% in 2020.
- Revenue of £5.3m (2021: £5.7m), a decrease of 8%, but including a 33% increase in revenue attached to Gfinity's owned audience, technology and esports properties.
- Gross profit of £2.7m (2021: £2.6m), a 4% increase, despite the reduction in revenue, reflecting the higher margins attached to Gfinity owned properties.
- Adjusted administrative expenses of £4.7m (2021: £5.4m) down 13% year on year.
- Closing year-end cash of £2.1m, with a further £2.7m of unexercised warrants.

Operational highlights

Gfinity Digital Media

- Average monthly active users of 14.5m, a 36% year on year increase
- Revenue per monthly active user 20p (2021: 15p), an increase of 29%
- Acquisition of Stock Informer brand, opening up ecommerce revenue stream
- Development of proprietary Content Management System facilitating efficient content publishing at scale

Technology

- 63% increase in revenue from licensing and implementation of technology, outside of managed esports services
- Renewed contract to deploy Gfinity's competitive platform into three of the largest mobile games in the world
- £0.7m investment in development of Athlos product to facilitate easy to integrate competitive platform, enabling deployment at scale under Software as a Service licensing model. MVP launching in Q2 of FY23, creating significant long-term revenue opportunity.

Esports Solutions

- Completed delivery of record breaking fourth season of F1 Esports Series, achieving 23 million views across digital platforms, a 103% year on year increase.
- Renewed contract and commenced delivery of fifth season in 2022.
- Delivered third season of co-owned esports property V10 R League, under Global Racing Series partnership with Abu Dhabi Motorsports Management
- Continued to be selected to deliver esports solutions by blue chip client base including: Coca Cola, Nintendo and Manchester United.

Post-period highlights

- Appointed as esports strategy development partner of Saudi Pro League
- Chosen as delivery partner for Red Bull Home Ground Tournament
- Launched MVP of Athlos Game Technology platform

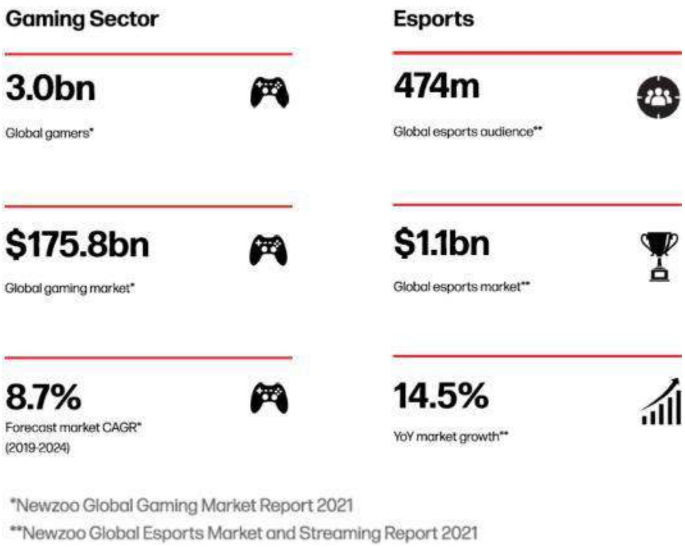
[1] Adjusted Operating Loss is the operating loss before depreciation of property, plant and equipment, amortization, impairment of goodwill and or/ intangible assets and the share-based payment charge. For consistency with prior years, the figure does include depreciation charged on right of use assets that were previously recognised as operating leases in the year ended 30 June 2019.
[2] Adjusted Administrative Expense is administrative expenses, adjusted for the same items as in the Adjusted Operating Loss.

Strategic Report

Gfinity At A Glance

Gfinity is a market-leading digital media publisher and technology company in the rapidly growing esports and competitive gaming entertainment industry sector.

The Company is trusted and consistently chosen by global brands to design and deliver programmes as a result of its deep expertise, strong relationships, technological IP and its proven ability to connect directly with a global community of over 3 billion gamers, which have created a gaming market worth an estimated $175.8 billion.



Within this market, Gfinity specialises in building digital highly engaged communities of gamers, both for its own brands and on behalf of others, that can be scaled and monetised. This is delivered in three ways:

- Gfinity Digital Media (GDM) Group: the digital home for gamer lifestyles. A network of Gfinity owned and operated websites, driving up to 15 million visitors per month (MAU) to Gfinity owned and operated sites. Creating monetisation opportunities through advertising, brand partnerships and eCommerce activities. Including related social platforms, these allow Gfinity to reach more than 50m gamers per month.

- Jointly owned properties: long-term commercial partnerships with organisations that have a strategic need to connect with gamers. This includes the Global Racing Series, in conjunction with Abu Dhabi Motorsports Management, in which Gfinity is paid for the delivery of services, including broadcast production and shares equally in the commercial and content rights of the series.

- Delivering esports technology and services for third parties: deploying Gfinity's esports technology, production and operations services for a network of blue-chip clients, which include leading game publishers, sports rights holders, media companies and commercial brands. Monetised via license income and service delivery fees.

Strategic Report

Chairman's Report

I have pleasure in presenting our annual accounts for the financial year-ended 30 June 2022.

It has been another year of progress in the delivery of the Company's strategic plan. The focus on "what we own" continues to guide the team and prioritise where resources are best allocated. This contributed to third consecutive reduction in Adjusted Operating Loss.

By owning a fast-growing community of hard-to-reach gamers, and proven technology that facilitates both competitive game play and deepens engagement, the business now has a more predictable and reliable revenue flow. This is scalable, and delivers strong margins.

The team has continued to strengthen its position in virtual motorsport, delivering the Formula 1 esports programme for a 5th year and Season 3 of the co-owned V10 R-League. The success of these events is due to a combination of an experienced delivery team and Race Control, the owned tech IP that provides industry leading real time adjudication support.

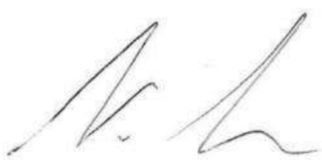
During the year the leadership team has been strengthened, adding expertise and accountability to take the business to the next level. Managing Directors were appointed with responsibility for GDM, Athlos and Esports Solutions.

The GDM team continues to grow our owned community of hard-to-reach gamers through web and social channels. Gfinity now touches the lives of close to 100m young people each month. Several our sites have seen significant growth but none more so than EpicStream which grew monthly users and page views by 356% and 512% respectively. Athlos is making significant progress. Its mission, to help game studios harness the power of competitive play to grow their communities at scale, increase player engagement, and drive increased revenue has struck a chord in the marketplace. Game publishers are increasingly looking at live services in addition to game sales as a primary source of revenue. Athlos creates a meta-game around any existing video game which makes for a significant potential customer base.

The market demographics continue to work in favour of gaming. Young people continue to enjoy interactive over traditional forms of entertainment. New blockbuster game launches are dwarfing the time and money spent on movie and music releases. And countries such as KSA are spending heavily on gaming infrastructure projects. New opportunities are being created across the industry.

Gaming is not a fad, it is a way of life for younger generations. This is not lost on brands who are looking to connect authentically with consumers under the age of 30 or on sports rights holders who see a digital equivalent as a key to stay relevant. While game publishers who operate in a highly competitive marketplace are increasingly focused on ways to drive up the Average Revenue Per User (ARPU). Offering increased competitive game play is a part of their playbook. Gfinity can add value in each of these areas and is well positioned for growth.

In summary, I would like to say thank you to the Gfinity team that continues to show all the qualities needed to succeed. They are tenacious, passionate, innovative and demonstrates a can-do attitude that is infectious. And I would also like to thank all our clients and partners that choose to work with Gfinity. Their continued support is never taken for granted and we look forward to continuing to grow together.



Neville Upton
Chairman
22 December 2022

Strategic Report

Chief Executive Officer's Report

When appointed CEO in March 2020, I set out a bold plan to bring the economics of our business under control and to reset the strategic focus on 'what we own' to deliver scalable and profitable growth. We are now at the end of the second full year of this plan, and we are making progress in each area.

To win in the world of competitive gaming and esports you need to make a positive contribution to the overall gaming ecosystem. You must bring something to the table for partners and clients that adds value. To do this effectively you need to own something. This is at the core of the 'what we own' strategy.

For Gfinity this means owing a fast-growing community of hard-to-reach gamers and owning proven technology that facilitates competitive game play that helps deepen engagement. Monetise them independently and then utilise each one in a way that helps grow business in areas where we already have a competitive advantage, such as virtual motorsport.

The decision to prioritise the 'what we own' strategy over the delivery of multiple fee based one-off client service programmes has had an adverse short-term impact on top line revenue in 2022, which was £5.3m, a decrease of 8% YOY. However, we saw a 33% increase in revenue attached to Gfinity's owned audience, owned tech IP and the V10 R-League esports programme which is a co-owned partnership with Abu Dhabi Motorsport Management. We have driven 107% increase in gross profit from these areas.

During the year we turned down several one-off assignments which would have driven more revenue but would not have helped us deliver on our strategic plan. We have had the confidence to say no. The numbers show that it is the right thing to do.

The economics of our business has become more predictable, and we are driving better gross margin performance with gross profit up 4% despite the reduction in revenue. At the same time the operating cost base has been streamlined, with adjusted opex down 13% YoY.

Throughout the year the team has been focused on transforming the business into one that is scalable. This is our pathway to profitability.

Balanced revenue dispersion

In March 2020 more than 90% of our revenue was coming from client services or esports solutions - delivering events for game publishers, sports rights holders and brands for a fee. This business was difficult to predict and to scale.

Today we are starting to see a more balanced revenue dispersion, reflecting the 'what we own' strategy. This is going to continue.

At the end of 2022 financial year our profitable owned community of gamers, Gfinity Digital Media (GDM), delivered 54% of revenue up from 29% in the previous year. Revenue derived directly from Gfinity's proprietary esports technology, which is driving some of the world's largest in-app mobile esports programmes, delivered 7%. While our focus on esports solutions has been in areas where we have a competitive advantage and this has delivered revenue of 39% from a blue-chip client base including Formula 1, Manchester United, Abu Dhabi Motorsport Management and Red Bull.

This is driving better financial performance, characterised by a reduction in the adjusted operating loss in FY22 of 28% (down to £2m). This builds on reductions of 36% and 50% in FY20 and FY21.

Growth of Gfinity Digital Media (GDM)

2022 was another successful year for GDM. At the end of the June monthly users across all sites were 14.5m, up 36% on FY21. Revenue reached £2.8m, up 75%. While the annualised revenue per user was up 29% to 20p. Combined with our social channels we are now reaching more than 100 million gamers each month.

We have a strong platform for further growth in the number of users and the revenue per user. We will continue to do this organically and through strategic acquisitions.

Strategic Report

GDM's competitive advantage is based on technology; content and Search Engine Optimisation (SEO) expertise; and commercial leverage. We continue to invest in our proprietary Manifold CMS system which allows for efficient content publishing at scale and is now in a plug and play format for all new acquisitions that we make. In addition, Stock Infomer price and stock availability technology is being adapted to allow relevant price comparison links to be offered to anyone viewing content across the network. Our team of editors and SEO specialists have built a high performing and growing network of websites with strong domain authority, supported by a bank of evergreen content across multiple genres. It is our scale that is driving improved commercial rates on advertising and affiliate partnerships, ensuring a greater proportion of higher CPM direct traffic.

It is important that we continue to innovate and stay agile in how we manage GDM. There continues to be downward pressure on overall advertising spend with platforms such as Meta and Google announcing post period reductions in ad revenues. While Google is prone to make algorithm changes with little or no warning which can impact user numbers. The team is constantly looking at ways to minimise the impact of marketplace changes and to ensure GDM continues to grow.

Licencing our competitive gaming engagement platform

One of the highlights of the year was the decision by one of the world's largest mobile game companies to extend its contract to license a white labelled version of Gfinity's competitive gaming platform. It is being used, in-App, for the second year running, to power its global esports programme. Tens of thousands of players from multiple countries competing seamlessly within the game.

This contributed to 63% growth in license revenues from our owned competition and engagement platform, outside of programmes where Gfinity also manages the overall tournament and programme delivery. Perhaps more importantly it also gave us the proof of concept needed to launch Athlos.
The Gfinity tournament platform has traditionally been a bespoke integration for our clients, such as the Premier League. Now we are making it available to licence.

Over the past twelve months we have rebuilt the technology so that game publishers can directly integrate it into their games in a matter of hours. This creates a major SaaS model, where tens of 1000's of game publishers from AAA down to small independents can offer competitive play to their users. Deployment at scale will start in Q1 2023.

Targeted esports solutions

Our esports solutions efforts are increasingly focused on areas where we have a strong competitive advantage and are working alongside some of the worlds most respected brands such as Formula 1 and Manchester United.

Formula 1 renewed as a client for a 5th year with an expanded programme for 2022. It is a brand that is going through a renaissance driven in part by the tv show 'Drive to Survive' and its focus on virtual racing which is drawing a younger audience. The value that Gfinity brings to Formula 1 extends from world class production right the way through to tech IP with our proprietary Race Control product which manages all in race adjudication issues. In addition, Gfinity's www.racinggames.gg site is one of the most visited for F1 esports news and insights which helps us bring informed opinions to the table on ways to deepen connections with F1's virtual racing fans.

In June we launched Season 3 of the V10 R-League, our co-owned partnership with Abu Dhabi Motorsport Management. For the first time we took the top 4 teams in the competition to take part in a live finals event at the Yas Mall as a showcase event for Abu Dhabi Gaming Month. Mercedes won a tense final against Max Verstappen's Redline team. The format and fastest virtual car in the world have captured the imagination of the teams and fans alike. After three seasons of building the product, we now have a product that has strong commercial appeal.

Investments in gaming industry

During the year the Kingdom of Saudi Arabia's Savvy Gaming Group (SGG) acquired two leading global esports businesses for a reported price of $1.5bn and took financial positions in several leading game publishers. SGG announced in September that it planned to invest a further $38bn in gaming related companies by 2030. This reflects the ambition to make KSA the global hub for gaming.

Strategic Report

In July and August, the Saudi Esports Federation (SEF) delivered Gamers8, a two-month celebration of gaming featuring many of the world's most popular games and leading professional teams. I attended the event and was impressed by its scale, professionalism, and creativity. It was exciting to see young and old, female and male, embrace a range of different games. They were playing, competing, and watching the best pro players compete in games like Fortnite and DOTA. Plans for a 2023 edition are already underway and it is clear it will be on an even grander scale.

In June Gfinity hosted a KSA business delegation, organised by the Saudi General Entertainment Authority (GEA), at the Gfinity Arena. The delegation consisted of leaders of thirty private entertainment companies. It was an enjoyable exchange of ideas and relationships have been built which will be beneficial in the future.

The investment in gaming in KSA is creating new opportunities and Gfinity is well positioned to play a positive role in future developments. It was in this context that in November 2022 I was delighted to be able to announce Gfinity's appointment as the esports and gaming solutions partner for the Saudi Pro League. This represents an important first step within the region.

Our dedicated team

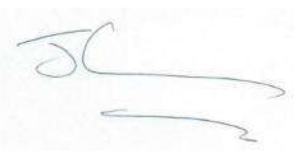
The progress we are making across the business is a direct consequence of the passion and spirit shown by the team. Everyday team members are stepping up, innovating, selling ideas, building networks, wowing partners with the quality of their work, and making things happen in a challenging economic environment. Gfinity is benefiting from having leaders across the business driven by their desire to build something special.

Outlook

The strategic focus on 'what we own' gives us greater control over our destiny. However, our success is still dependent upon positive business and consumer sentiment. There are economic headwinds. This could impact spending, especially on advertising campaigns across GDM. We will continue to manage our cost base in line with both the opportunities that we can see ahead of us and the market realities that we face. The team will remain agile, flexible, and entrepreneurial, continually adding to an already strong pipeline of opportunities in the strategic areas where we have chosen to focus on.

Conclusion

The transformation of Gfinity's business model is now well underway. The strategy is embedded across the business with strong leaders in place to ensure we deliver on what we say and move us towards profitable growth. We remain focused on what we can control, strengthening the foundations on which the GDM has been built; adding more customers to Athlos, our tech IP licensing business; and partnering with organisations who share our passion for gaming and the commercial opportunities it presents. Gfinity's best days are ahead of us. I would like to thank the Gfinity team, our business partners and our clients for their continued hard work and support.



John Clarke
Chief Executive Officer
22 December 2022

Strategic Report

Chief Financial and Operations Officer's Report

Summary

The year to 30 June 2022 saw continued strong progress on Gfinity's path towards profitability. An adjusted operating loss of £2.0m, represented an improvement of 28% on the year to 30 June 2021; a third consecutive year of progress, following reductions of 50% in FY21 and 36% in FY20.

This continued improvement reflects the strategic focus on areas within the esports and gaming ecosystem that Gfinity owns, that can scale and can deliver a strong margin as they do so.

Revenue of £5.3m actually represented a reduction of 8% year on year. Within this, however, there was a 33% increase in revenue coming from Gfinity's owned audience, technology and esports rights. As a result, despite the reduction in top line revenue, gross profit actually increased to £2.7m (2021: £2.6m), while Adjusted Administrative Expenses actually reduced by 13% to £4.7m (2021: £5.4m), again reflecting a third consecutive annual reduction.

Revenue and Cost of Sales:

Gfinity Digital Media:

GDM revenue for the year of £2.8m represented an increase of 75% year on year (2021: £1.6m). This reflected growth in both the number of unique monthly active users on Gfinity's platform, which rose 36% to 14.5m and growth in the annualized revenue per monthly active user, which rose 29% from 15p to 20p.

This growth reflected a continued strengthening of both the quality of content across the GDM network and the domain authority of the sites. It also reflected a diversification of the revenue streams from the sites, with ecommerce activities strengthened alongside the existing advertising.

In this regard, we were delighted to add the Stock Informer brand to the GDM network in September 2021. This acquisition has strong value in itself, as a new and highly profitable revenue stream within the GDM portfolio. In the nine-month period post acquisition, this business contributed £0.5m of revenue and £0.4m of net profit to the network. Over the longer term, however, the technology used to provide the live pricing and stock availability data for this product, will power live price comparison information for relevant products for users across the GDM network. Representing a potentially even greater revenue opportunity.

Gross profit across the GDM network, rose to £1.6m, an 81% year on year increase, reflecting a 56% gross

margin. ***Esports Solutions:***

In the year to 30 June 2022 Gfinity has continued to be trusted by major global brands to design, develop and deliver esports solutions.

During the first half of the financial year Gfinity completed delivery of the fourth season of the Formula 1 Esports Series. This programme continues to grow and set new records, achieving 23 million views across the season; a 103% year on year increase. Gfinity's contract was subsequently reviewed for a fifth season, with delivery commencing in early 2022, building to live events and finals taking place in the latter months of 2023.

This programme was supported by other initiatives on behalf of clients including Coca Cola, Manchester United, Nintendo, EA Sports and Ask4.

This financial year also saw the commencement of the 3rd season of the V10 R League, a part of the Global Racing Series partnership in conjunction with Abu Dhabi Motorsports Management. This season saw the addition of Mercedes to the roster of competing teams, joining other high-profile organisations including: Red Bull Racing, BMW SIM Racing, Fordzilla, Williams Esports and Aston Martin.

Strategic Report

The period to June 2023 saw completion of around half the season, building towards a live finals taking place in Abu Dhabi, sponsored by Miral in early FY23.

This contrasted with FY21, which had seen both of the first two seasons of the V10 R League programme. As a result, revenue fell from £0.7m to £0.2m. The programme required a net investment of £0.1m (2021: £0.1m). Directors believe, however, that this is creating a valuable owned esports property, from which Gfinity will see significant benefit in the future.

Overall, across the esports solutions business, revenue fell 47% to £2.1m (2021: £3.8m). This reflected the revised phasing of the V10 R League programme, which had seen a greater concentration of activity in the prior year, but also a increased strategic decision to prioritise revenue streams attached to Gfinity's owned intellectual property, which directors believe will give the business a greater chance of driving longer term, high margin revenue growth.

Technology:

In the year to 30 June 2022 revenue attached to the licensing and implementation of Gfinity's technology, outside of the scope of managed esports programmes, grew 63% to £0.4m (2021: £0.2m). This delivered a gross profit of £0.2m (2021: £0.0m).

Gfinity continued to deploy its proprietary esports platform into 3 of the major mobile game titles. This programme has provided an important case study as to how Gfinity's technology can be implemented directly into mobile games. Allowing publishers to deliver competitive programmes, without users having to leave the game to utilize other platforms.

With two-thirds of revenue in the games industry now coming from in-game revenues, rather than one off game purchases and competitive gamers proven to spend significantly longer and spend significantly more money in game than casual gamers, directors believe that this presents a significant future revenue stream.

Administrative Expenses:

As a Board, we monitor ourselves against Adjusted Administrative Expenses. This measure adjusts for the impact of non-cash items, including amortisation or other adjustments to the carrying value of goodwill and intangible assets, depreciation on owned assets and the share option charge.
In the year to June 2022, unadjusted Administrative Expenses included:

- Share option charge of £0.5m, (2021: £0.3m)
- Amortisation of intangibles and adjustments to goodwill and intangible carrying values of £1.6m (2021: £1.5m)
- Depreciation of owned assets of £0. 1m (2021: £0.6m)

In the year to June 2022, Adjusted Administrative Expenses were £4.7m (2021: £5.4m), reflected a reduction of 13%. This was principally driven by reductions in permanent headcount, facilitated by a move to a more variable cost model, with a smaller team retained to deliver ad hoc client esports solutions. This also represented the first full year without a base office, as the company adopted a fully remote working policy.

Operating Loss:

The cumulative effect of all the above items was that the adjusted operating loss for the year reduced to £2.0m (2021: £2.7m). This represented a reduction of 28%.

Allowing for a small gain on the winding up of the Gfinity Esports Australia business, Adjusted EBITDA for the year was £1.9m (2021: £2.3m).

Cash and Cash Equivalents:

As at 30 June 2022, Gfinity had cash of £2.1m (2021: £1.4m). Further to this, there were £2.7m in unexercised warrants, at an exercise price of 1.25p.

Strategic Report

Mergers and Acquisitions:

Gfinity completed two acquisitions in the year:

- Megit Ltd, the parent company of the Stock Informer brand, which operates the StockInformer.co.uk and StockInformer.com sites in UK and USA respectively. Stock Informer holds a position of authority on the availability of hard to get items of stock, of particular relevance to gamers. Its proprietary technology ensures an up to date record of when such items become available allowing it to earn revenue through affiliate commissions.
    - Consideration for the acquisition of Megit Limited comprised of:
        - £2.5m in cash
        - £2.5m in Gfinity equity settled via the issuance of 62.5m new ordinary shares at the placing price of 4p in September 2021; and
        - An earn out of 30% of revenue in each of the first 3 years post acquisition, capped at a maximum value of £1.8m.
- The trade and assets of the SiegeGG business. SiegeGG has acquired a leading position as the authority on all news and statistics relating to the competitive scene around the Rainbow Six Siege game published by Ubisoft. The business generates revenues through the licensing of its database of statistical information relating to Rainbow Six Siege esports and onsite advertising. In the year to 31 December 2020, SiegeGG reported unaudited revenues of $0.1 million and profit before tax of $40k.
    - Consideration for the acquisition of SiegeGG comprised of:
        - 9 million ordinary shares, with a fair value on the date of acquisition of 4.4p amounting to £396k
        - An earn out of 30% of revenue in each of the first 2 years post acquisition, capped at a maximum value of £1.5m.

Outlook:

Directors believe that the continued improved financial performance of the business, coupled with the growth in the value of Gfinity's owned IP, will leave it well placed to deliver long-term value for shareholders.

While a sustained period of recession could have an impact on the speed of growth in certain areas, for example the level of advertising rates in the GDM business, directors still see significant opportunities for growth, in particular via:

- Continuing to expand the audience within the GDM network and introduce new technology to deepen the engagement and increase the revenue that comes from this community
- Launching an easy to integrate and easy to use version of Gfinity's Engage platform, which can be integrated directly into publisher game titles, creating a new Software as a Service revenue stream.
- Building on Gfinity's expertise in sports based titles, particularly racing games and football to capitalize on the significant opportunity within the GCC region.

Directors are actively engaged in discussions with potential strategic partners to ensure that Gfinity is appropriately positioned to capitalise on these areas of opportunity.

Jonathan Hall
Chief Financial and Operations Officer
22 December 2022

SECTION 172(1) STATEMENT

The directors are well aware of their duty under Section 172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Company (the "Section 172(1) Matters").

Induction materials provided on appointment include an explanation of directors' duties, and the board is regularly reminded of the Section.172(1) Matters, including as a rolling agenda item at every main board meeting.
Further information on how the directors have had regard to the Section.172(1) Matters can be found on pages 12 to 18.

Section 172(1) Companies Act 2006

The board takes decisions with the long term in mind, and collectively and individually aims to uphold the highest standards of conduct. Similarly, the board understands that the Company can only prosper over the long term if it understands and respects the views and needs of its customers, distributors, employees, suppliers and the wider community in which it operates.
The directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172(1) of the Companies Act 2006. The text of Section 172(1) of the Companies Act 2006 has been sent out to each main board director.

Relations with Shareholders

The Company's principal means of communication with shareholders is through the Annual Report and Financial Statements, the full-year and half-year announcements and the AGM. The board recognises that the AGM is an important opportunity to meet private shareholders. Each substantially separate issue is the subject of a separate resolution at the AGM and all shareholders have the opportunity to put questions to the board. All board directors endeavour to attend AGMs and answer questions put to them which may be relevant to their responsibilities. In addition, the directors are available to listen informally to the views of shareholders immediately following the AGM. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are published on the Company's corporate website.

Section 172(1) Companies Act 2006 (continued)

The board receives regular updates on the views of shareholders through briefings and reports from the executive directors, the Company's brokers and PR advisers. The Chief Executive Officer, the Chairman and the other directors make presentations to institutional shareholders and participate in investor road shows both following the announcement of the full-year and half-year results and, at other times throughout the year. Not every officer participates in every investor presentation. The Chairman will participate in these presentations where appropriate and is always available to speak with shareholders.
Dialogue with individual institutional shareholders also takes place in order to understand and work with these investors to seek to comply with their investor principles where practicable.
Investor queries may be addressed to the Company Secretary at jonathan@gfinity.net. A range of corporate information (including all Company announcements) is also available to shareholders, investors and the public on the Company's corporate website www.gfinityplc.com/investors/overview/.
The board ensures that the requirements are met, and the interests of stakeholders are considered as referred to elsewhere in this report and through a combination of the following:

- A rolling agenda of matters to be considered by the board through the year, which includes an annual strategy review meeting, where the strategic plan for the following year is developed;

- Standing agenda points and papers presented at each future board meeting, which will report on customers, employees and other colleagues, health and safety matters and investors;
- A review of certain of these topics through the Audit Committee and the Remuneration Committee agenda items referred to in this report;
- Detailed consideration is given to of any of these factors where they are relevant to any major decisions taken by the board during the year;
- Monitoring Key Performance Indicators ("KPIs") such as EBITDA and Adjusted EBITDA; Gross margin by product; Adjusted operating loss.

Principal Risks and Uncertainties

Gfinity's long-term success will depend in large part on its ability to manage the key risks affecting the Company. Gfinity is an innovative business in a rapidly developing sector. In that context, the risks facing Gfinity can change quickly, and the board recognizes the importance of identifying key risks and ensuring that the right mitigation strategies are in place for managing them.

Ultimate responsibility for managing risk lies with the board. Executive responsibility for retaining the register of risks and reporting on these to the board lies with the Chief Financial and Operations Officer. Responsibility for the management of risks lies with different members of the Executive leadership team depending on the nature of the risk. Over the past 12 months, the business has transitioned into a new operating model which has improved the management of risks. The new operating model has segmented the business into three revenue generating divisions, namely Esports Solutions, Athlos, and Digital Media Group, supported by a shared central function.

Gfinity distinguishes between strategic risks and operating risks. Strategic risks represent macro level matters, which may impact on the strategy of the Company. Operating risks reflect the ongoing challenges that the business may face in delivering on that strategy.

On a day-to-day basis, responsibility for managing strategic risks lies with the Chief Executive. Mitigation strategies and the emergence of new strategic risks are considered through the weekly senior leadership team meetings, which is chaired by both the Chief Executive and the Chief Financial and Operations Officer.

Operational risks are the responsibility of the Chief Financial and Operations Officer and are considered both at the senior leadership team meetings within each division of the business and through weekly performance management update sessions with each of the respective senior leadership teams of each division.

In assessing its attitude to risk, directors aim to strike a balance between ensuring comprehensive processes and monitoring frameworks are in place, as would be expected of a publicly listed Company, while retaining the dynamism and innovation required to grow quickly within a rapidly developing and changing sector.

The directors believe the principal risks currently affecting the business are as outlined below:

Strategic Report

Strategic Risks

Risk	Description	Mitigating Actions
Economic Uncertainty	Inflationary pressure in UK has resulted in a cost-of-living challenge for many families. This is likely to be coupled with a period of high interest rates and higher taxation as the government and Bank of England attempt to control inflation and borrowing. This has created a danger of a sustained period of economic downturn. This could create pressure on both Gfinity's cost base and potential revenue growth.	Over the past 2 years, Gfinity has reduced its overhead cost base, moving to a variable cost model, with lower fixed infrastructure costs and a globally dispersed workforce. This gives Gfinity the flexibility to move the cost base up or down more quickly in line with peaks and troughs in demand across the respective sectors of the business. It also means that Gfinity is less exposed to movements in UK labour market costs or energy prices than would previously have been the case.
Intellectual property risk	Esports involves the use of intellectual property, typically owned by the publishers of the respective game titles. Gfinity must consider the risk of changes in strategy of the intellectual property owners, resulting in certain games not being available for use by Gfinity in its esports properties, or fees being required for the use of intellectual property, which may present a challenge to Gfinity's business model.	Gfinity's Esports Solutions business has expertise across a broad range of titles, meaning there is no over-reliance on one single publisher or title. In most cases Gfinity also works directly with the respective rights holder, hence being granted access to use the IP required under the terms of remit of the relevant programmes. Gfinity's technology platform is integrated directly into publisher titles, using consent from the publishers. Gfinity Digital Media's business provides news and short form content around games, as other media outlets do. The company now places a significantly reduced reliance on building the audience for owned esports programmes, using 3rd party IP than had been the case previously and where it does so, it is always with the consent of the relevant IP holder.

Strategic Report

Perception of video gaming	Some people view video gaming negatively, as something that promotes an unhealthy lifestyle and lack of social interaction. There is a risk that this perception will provide a barrier to entry to commercial partners and broadcasters, presenting a risk to Gfinity's business model.	Gfinity always promotes a balanced approach to gaming, as part of a healthy lifestyle. This has included emphasising the role that fitness and nutrition plays in the performance of top esports performers within Gfinity operated programmes and also the role that gaming can help young people form social relationships in the digital age.
Competition Risk	There are currently very few companies globally that can deliver full end to end esports solutions and Gfinity has established a first mover advantage. As the market develops, however, there is a risk of new entrants coming into the market, or game publishers looking to bring the capability in house. Gfinity also owns technological IP in its competition and adjudication platforms, which competitors may seek to replicate. Gfinity Digital Media also operates in a competitive field, with multiple outlets chasing the audience looking for gaming news and content.	Gfinity continues to invest both in its own market leading technology and development of a large community of fans who come directly to Gfinity for their own esports and video gaming news and content. Examples of this include the development of the Athlos platform, 'Where to Watch' capability within the GDM network and the acquisition of the Stock Informer and Siege platforms. This owned technology and owned audience ensures that Gfinity continues to retain a competitive advantage over new entrants to the market. While Gfinity will continue to provide services to key partners in addition to these owned areas, it will only do so where the economic terms make commercial sense for the business to do so.
Speed of revenue growth	Gfinity operates in a pioneering sector. The Directors believe, supported by market research, that the value of that sector is significantly below the level it should reach, given the size and level of engagement of the audience and the attractiveness of that demographic to broadcasters and commercial partners. Nonetheless, that growth may not be linear and that may present a risk to the speed of revenue growth.	The directors of Gfinity firmly believe that establishing a market leading position in the fast-growing esports sector is the best route to delivering significant long-term value to shareholders and that building that position around its owned audience and technology is the best way to deliver consistent revenue growth. Nonetheless, in view of the fact that revenue progression may be non- linear, the business has moved to a cost model that allows it to vary the overhead base to align to peaks and troughs in demand.

Strategic Report

Operational Risks

Risk	Description	Mitigating Actions
Liquidity Risk	Gfinity is currently a loss-making company and as such, must ensure that it has sufficient capital available to deliver on its strategy.	Gfinity maintains a strong core group of investors but has also sought over recent fundraises to broaden this shareholder base. This was reflected in a number of new investors introduced to the business in the investment round undertaken in March and April 2022. Alongside this existing investor base, Gfinity is continuing to engage with a number of potential larger investors, who would have a strategic rationale for investment in this sector. With the business continuing to loss making in the short run, Directors believe that one more partnerships from this group will be important in supporting the long term growth of the business. Alongside the commercial and investor relations activities, directors are also ensuring that the company continues to invest in its underlying intellectual property, giving the business sustained value even in the event of fluctuations in revenue.
Access to Key Skills	Esports is a new sector and as such, the number of people with deep experience in developing and delivering esports solutions is limited. Without access to this expertise, Gfinity would not be able to provide the depth of solutions to its client base or build its own Gfinity “tribe”.	Gfinity places a high importance on succession planning within the business, ensuring that skills are not vested in a single individual. This is built through development of existing staff, recruitment of certain key personnel and where appropriate through targeted acquisitions. Senior individuals are also incentivized through an employee option scheme, driving loyalty to the business.
Data Security Risk	Gfinity has built a large community of esports fans playing, watching and socialising through its own platform and those of CEVO and RealSport. Increasing levels of data protection regulation, including GDPR legislation, and ongoing cyber security risks, make it imperative that any data gathered through these platforms is collected, handled and protected in accordance with all relevant regulations. Any failure to do so would significantly erode trust, both among the esports community and prospective commercial partners.	Gfinity has undertaken an in-depth review of its data policies and procedures, in conjunction with lawyers and data protection experts in response to recent data protection legislation. All user data held is in a secure and encrypted manner and is only used in compliance with all relevant legislation.

Strategic Report

This report was approved by the board and signed on its behalf.

Neville Upton
Chairman
22 December 2022

Governance

Corporate Governance Report

Chairman's Statement on Corporate Governance:

The Directors recognise the fundamental importance of good corporate governance in providing an efficient, effective and dynamic management framework to ensure that the Company is managed in the right way for the benefit of all shareholders over the medium to long-term. In view of this, the board of Gfinity plc has chosen to apply the QCA Corporate Governance Code (the 'QCA Code') published by Quoted Companies Alliance. The QCA Code is a pragmatic and practical tool, which adopts a principles-based approach to corporate governance, which the directors of Gfinity believe is correct for Gfinity in its current stage of growth. Further information can also be found on our investor website www.gfinityplc.com.

Neville Upton, Chairman

Board of directors:

The Gfinity plc board is responsible for:

- Setting the strategy across all Gfinity group companies;
- Defining the business model and the financial framework within which the business must operate;
- Setting and ensuring the implementation of the culture, to deliver success;
- Designing and implementing controls and the risk management framework;
- Ensuring communication with key stakeholders, including staff, shareholders, suppliers and customers;
- Appointing a senior Executive Team, capable of delivering on the defined strategy;
- Monitoring performance against the above areas and taking remedial actions as appropriate;
- Ensuring availability of capital to deliver on the chosen strategy.

The board retains overall responsibility for ensuring strong corporate governance and is supported by the Audit, Nominations and Remuneration Committees. This section provides further detail on the composition and conduct of business of the board and its respective committees, together with information on how they discharge their responsibilities.

Governance

Board of Directors:

Neville Upton, Chairman	*Appointed: 15 January 2014*
After graduating at the London School of Economics, Neville joined Coopers & Lybrand where he qualified as a Chartered Accountant. Neville's formative years were at Euromoney where he gained experience in finance, M&A and various commercial projects. After a brief spell at The Decisions Group as Finance and Operations Director, in 1998 he established a call centre business, The Listening Company, which specialised in multichannel communication applications and high quality customer service solutions. The business was sold in 2011 to Serco for a sum in excess of £60 million, at which time it had a turnover of £82 million and employed 4,000 people. Neville co-founded Gfinity in 2012 and assumed the role of Chairman in March 2020.	
John Clarke, Chief Executive Officer	*Appointed: 18 September 2018*
John is an experienced business executive having worked in and with leading global companies for the last 25 years. Prior to joining Gfinity, John worked for HEINEKEN N.V. where he was Head of Global Communications and, most recently, a senior commercial director within Lagunitas Brewing Company, a 100% owned subsidiary of HEINEKEN N.V. Previously he held senior leadership, corporate affairs and marketing positions within The American Express Company and Burson-Marsteller Public Relations. John was appointed to the board in September 2018, originally as a non-executive director. In May 2019 he was appointed as the Chief Commerical and Brand Officer, in which role he oversaw a rapid expansion of the Gfinity and RealSport communities. John was appointed Chief Executive in March 2020.	
Jonathan Hall, Chief Financial and Operations Officer	*Appointed: 1 September 2014*
Jon qualified as a Chartered Accountant with Arthur Andersen followed by a period of six years specialising in organisation and business process design with PA Consulting, a leading London based management consultancy firm. He subsequently spent five years as a Finance Director of Saracens Ltd and the wider Premier Team Holdings Group, before joining Gfinity in August 2014 where he led the process of the Company's admission to AIM. As Chief Financial and Operations Officer Jon has responsibility for all aspects of finance and accounting, including financial planning, reporting and accessing capital to fund growth. He also retains responsibility for all company operations including event delivery, technology, HR and legal matters.	
Leonard Rinaldi, Independent Non-Executive Director	*Appointed: 18 December 2020*
Len Rinaldi retired in April 2019 after 12 years as the General Manager, Western Europe, Apple, Inc., where he led sales / general management across Western Europe. Previously, as Apple's CFO EMEIA 2007 – 2012, he oversaw revenue hyper growth from $7bn to $40bn. Len also sat on the boards of Apple India (revenues $800m) as it entered the market, and Apple France (revenues $4bn).	

His early career was spent in finance and business development/sales roles at AT&T and Alcatel Lucent, and has lived in Saudi Arabia, Singapore, USA, Paris, and London. Len holds an MBA in Finance from FDU. In addition he has Executive Leadership Certifications from Wharton School of Business and the University of Notre Dame.	
Hugo Drayton, Independent Non-Executive Director	*Appointed: 21 May 2021*
Hugo has spent the past 30 years in publishing and media, as a pioneer in digital media, including planning and launching the UK's first online newspaper – Electronic Telegraph, in 1994. He led Inskin Media, as CEO, for 10 years until 2020, growing it from start-up to a global, brand advertising business. Previously, he spent 10 years at The Telegraph Group, latterly as Group Managing Director. Hugo led Advertising.com, Europe, for 2 years, and was launch CEO of behavioural marketing company, Phorm. Hugo is a non-executive director on the board of FTSE250 Future plc, and is an investor/advisor to several media and ad-tech businesses. He serves as a Trustee of the Felix Byam Shaw (Felix Project) and British Skin Foundation charities. His early career was spent overseas, in Europe and South America, with Coats Viyella, and launching automated telephony services across Europe with Reed Telemedia.	

Governance

Board Composition and Performance

The composition of the Gfinity board is structured to contain the range of skills and personal qualities required to effectively discharge its duties. The board recognises that as Gfinity develops, within a rapidly growing sector the precise composition required shall change from time to time. Responsibility for reviewing the composition of the board and making recommendations for appointment and removal of directors rests with the Nominations Committee. Further details of this are provided below. Any such recommendations are subject to formal approval of the full board.

The board recognises the importance of diversity of skills and approach in effectively conducting its duties, and as such, has sought to appoint high calibre individuals from a wide range of backgrounds and sectors.

Role of Chair

The primary responsibility of the Chair is to lead the board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model. As Chairman, Neville Upton also retains responsibility for oversight of the development and delivery of the Company's strategy, supported by the Executive Directors.

The Chair ensures that the board considers the key issues affecting the Group, both operationally and financially, and together with the Company Secretary ensures the correct information flows between the board, its respective committees and between the Independent Directors and senior management.

Role of Company Secretary

The Company Secretary acts as a trusted adviser to the Chair and the board and plays a vital role in relation to both legal and regulatory compliance. The Company Secretary supports the work of the respective board committees and also acts as a confidential sounding board to the chairs of those committees.

Board Conduct of Business

Full board meetings are held monthly, other than in August and December, meaning a minimum of ten meetings per annum to conduct the regular business of the board. Further full board meetings shall be held as required to provide approval on specific matters, including major corporate transactions and the allotment of new shares.

The quorum for a board meeting to be considered valid is two.

Attendance record:

Director	Number of Meetings Attended	Total Meetings in Period in Office
Neville Upton	11	11
John Clarke	11	11
Jonathan Hall	11	11
Leonard Rinaldi	11	11
Hugo Drayton	11	11
Andy MacLeod (Resigned 22/10/21)	2	2

Board Review and Performance

The board monitors its performance and composition on an ongoing basis and recognises that as the Company grows in a rapidly developing sector, the mix of skills required to best discharge its duties may change from time to time. It was in that context that, during the year, it was decided to introduce two new members to the board, both of whom bring strong governance capability, coupled with deep expertise in sectors highly relevant to Gfinity's continued growth.

Governance

Performance of the board is assessed on an annual basis. This process is led by the Chair of the board, supported by the Chief Financial and Operations Officer, and assesses the board's performance against its stated terms of reference, both in terms of the process by which business is conducted and the results achieved.

Audit Committee

The role of the Audit Committee is to provide confidence to shareholders on the integrity of the financial results of the Company, expressed in this annual report and accounts, and other relevant public announcements made by the Company. The Audit Committee also has a key role in the oversight of the effectiveness of the risk management and internal control systems of the Company, and to make recommendations to the board for improvements in this regard.

The Audit Committee comprises:
Leonard Rinaldi (Chair)
Neville Upton
Jonathan Hall

Prior to his resignation from the board, Andy MacLeod was also a member of the Audit Committee.

Director	Number of Meetings Attended	Total Meetings in Period in Office
Leonard Rinaldi	2	2
Neville Upton	2	2
Jonathan Hall	2	2

Nominations Committee

The Nominations Committee ensures there is a robust process for the appointment of new board directors. The committee works closely with the board and the Chair to identify the skills, experience, personal qualities and capabilities required for the next stage in the Company's development, linking the Company's strategy to future changes on the board. Only the Nominations Committee is able to formally submit a recommendation to the board for the appointment of a new director. All such recommendations are still subject to the approval of the board.

The Nominations Committee comprises of:
Hugo Drayton (Chair)
Neville Upton
John Clarke

Prior to his resignation from the Board Andy MacLeod acted as Chair of the Nominations Committee.

Following the appointment of Hugo Drayton and Len Rinaldi in the year to 30 June 2021, no amendments were proposed to the board in this period and hence no meetings of the Nominations Committee took place.

Governance

Director	Number of Meetings Attended	Total Meetings in Period in Office
Andy MacLeod	-	-
Neville Upton	-	-
John Clarke	-	-
Hugo Drayton	-	-

Remuneration Committee

The Remuneration Committee is responsible for outlining the principles of remuneration strategy to be applied across the Gfinity Group. It also directly approves the remuneration of all directors, together with the grant of any option over shares in Gfinity plc.

Compensation is based on an expectation that the director will spend a minimum of 30 days a year on work for the Company. This will include attendance at a minimum of six Board meetings per annum, each general meeting, plus other activities as agreed with the Executive team from time to time, including membership of board committees.

Non-Executive Directors may support additional projects over and above their role as Non-Executive Directors and may be remunerated at or below market rate for those services. The extent of such services must not, however, compromise their status as Non-Executives, independent of the Executive team.

The Remuneration Committee consists of Hugo Drayton, Neville Upton and Leonard Rinaldi. Andy MacLeod was part of the remuneration committee prior to his resignation.

Director	Number of Meetings Attended	Total Meetings in Period in Office
Hugo Drayton	1	1
Neville Upton	1	1
Leonard Rinaldi	1	1

Full disclosure of director remuneration is provided within the Director’s Remuneration Report.

Governance

Directors' Remuneration Report

As the Company is AIM listed, the directors are not required, under Section 420(1) of the Companies Act 2006, to prepare a directors' remuneration report for each financial year of the Company and so Gfinity plc makes the following disclosures voluntarily, which are not intended to, and do not, comply with the requirements of the Companies Act 2006.

The Remuneration Committee is responsible for recommending the remuneration and other terms of employment for the Executive Directors of Gfinity plc. In determining remuneration for the year, the committee has given consideration to the requirements of the QCA Corporate Governance Code.

Remuneration policy

The remuneration of Executive Directors is determined by the committee and the remuneration of Non- Executive Directors is approved by the full board of directors. The remuneration of the Chairman is determined by the Independent Non-Executive Directors, in conjunction with the Chief Financial and Operations Officer.

The remuneration packages of Executive Directors comprise the following elements:

Basic salary and benefits

Basic salaries for Executive Directors are reviewed annually and take into account individual performance, market practice and the financial position of the Company. In most cases salaries paid to Executive Directors are currently towards the low end of the market rate for their respective roles and relative to the experience of the individuals in question. Executive Directors are eligible for pension contributions and participation in the Company's health insurance and life assurance schemes.

Annual bonuses

Bonuses awarded to Executive Directors are included in the Directors' Emoluments table on page 25. Bonuses form part of the overall remuneration of Executive Directors and are aligned to the achievement of financial and strategic milestones which are designed to promote long-term value for all shareholders. In the context of the loss for the year and the desire to preserve cash to invest in long-term growth initiatives, no bonuses were paid to Directors in the year.

Share options

The Company believes that share ownership by Executive Directors and employees strengthens the link between their personal interests and those of the Company and the shareholders.

The Company has an executive share option scheme, which is designed to promote long-term improvement in the performance of the Company, sustained increase in shareholder value, and clear linkage between executive reward and the Company's performance.

All directors hold either shares or share options in the company. The board of Gfinity believes offering Non- Executive Directors shares in the Company at a price and level that aligns them with the interests of the wider shareholder base is in interests of all shareholders. The Board also believes it is an essential part of attracting high calibre individuals to the Board.

Service contracts

All existing directors at the time of the Company's admission to AIM entered into new service contracts on 16 December 2014, immediately prior to that admission. All new directors since this date have entered into comprehensive director service contracts at the time, or immediately in advance of commencing their roles.

All Executive directors' appointments are subject to six months' notice on either side.

Governance

All directors are subject to pre and post-termination restrictive covenants with the Company, including those relating to non-competition and non-solicitation of customers and staff.

No compensation is payable for loss of office and all appointments may be terminated immediately if, among other things, a director is found to be in material breach of the terms of the appointment.

Directors' interests in shares

The interests of the Directors at 30 June 2022 in the shares of the Company were:

	Number of Ordinary Shares	Percentage of issued share capital
Neville Upton	14,877,245	1.13%
John Clarke	3,847,222	0.29%
Jonathan Hall	3,472,222	0.26%
Hugo Charles Drayton	1,600,000	0.12%
Leonard Richard Rinaldi	2,000,000	0.15%
	25,796,689	**1.96%**

Share Options

Directors' interests in options over the ordinary shares in the company were as follows:

	As at 30	Options June 2021 Granted	Options Lapsed	As at 30 June 2022
Neville Upton		5,000,000	-	5,000,000
John Clarke		14,000,000	-	14,000,000
Jonathan Hall		9,000,000	-	9,000,000
Hugo Charles Drayton		4,000,000	-	4,000,000
Leonard Richard Rinaldi		4,000,000	-	4,000,000
	36,000,000	**-**	**-**	**36,000,000**

Warrants

Directors' warrants over the ordinary shares in the company were as follows. All warrants held by directors were granted in respect of investments made into the business as part of the fundraise in March and April 2022 and were granted on the same terms as those granted to other investors. All warrants have an exercise price of 1.25p.

	As at 30 June 2021	Options Granted	Options Lapsed	As at 30 June 2022
Neville Upton	-	-	-	-
John Clarke	-		2,000,000	2,000,000
Jonathan Hall	-		2,000,000	2,000,000
Hugo Charles Drayton	-		1,600,000	1,600,000
Leonard Richard Rinaldi	-		2,000,000	2,000,000
	-		**7,600,000**	**7,600,000**

Governance

Audited Information – this section forms part of the financial statements by cross-reference.

Directors' emoluments

Emoluments of the directors for the year ended 30 June 2022 are shown below.

	Year to 30 June 2022				Year to 30 June 2021
	Salary & Fees	Bonus	Pension	Total Remuneration	Total Remuneration
Neville Upton	50,000	-	-	50,000	50,000
John Clarke	175,000	-	2,201	177,201	162,192
Jonathan Hall	170,000	-	2,201	172,201	158,192
Andrew MacLeod*	8,239	-	-	8,239	25,000
Hugo Charles Drayton	72,500	-	-	72,500	4,444
Leonard Richard Rinaldi	40,000	-	-	40,000	21,449
	515,739	**-**	**4,402**	**520,141**	**421,277**

*Andrew Macleod resigned from the board on 22 October 2021.

This report was approved by the board and signed on its behalf.

Neville Upton
Chairman
22 December 2022

Governance

Directors' Report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 30 June 2022.

Principal activities

Gfinity is a world leading media and technology business operating in the esports and video gaming sector. There are three principal pillars to Gfinity's business:

Esports Solutions: As a trusted independent esports provider it designs, develops and delivers esports solutions to publishers, sports rights holders, brands and media companies that connects them with hundreds of millions of young gamers. Gfinity also creates and delivers programmes, such as the Global Racing Series, to which it co-owns the commercial rights.

Gfinity Digital Media: A network of owned websites and related social platforms, delivering news and content relevant to gamers and their lifestyles.

Technology: Gfinity owns market leading esports technology, enabling publishers and rights holders to drive deeper engagement with their audience, enhancing monetization and data collection.

An overview of Gfinity's strategy and business model is provided within the Gfinity At A Glance section of this Strategic report.

Future development

Our development objectives for 2022–23 and beyond are disclosed in the Strategic Report.

Capital structure

The capital structure is intended to ensure and maintain strong credit ratings and healthy capital ratios, to support the Company's business and maximise shareholder value. It includes the monitoring of cash balances, available bank facilities and cash flows.

No changes were made to these objectives, policies or processes during the year ended 30 June 2022.

Results and dividends

The consolidated income statement is set out on page 36.

The Group's loss after taxation amounted to £3.9m (2021: loss of £3.8m).

The directors do not recommend the payment of a dividend for the year ended 30 June 2022.

Events since the balance sheet date

Since 30 June 2022, Gfinity has completed successful delivery of the 2022 F1 Esports Series on behalf of Formula 1, together with announcing new programmes to be delivered on behalf of Red Bull and Saudi Pro League.

Gfinity's proprietary technology again powered the competitive programme for three of the largest mobile esports title, while the fully automated Athlos product, which can be licensed at scale, was released in beta.

Research and development

The Company undertakes development activities which involve a planned investment in the building and enhancement of Gfinity products. Development expenditure is capitalised as an intangible asset, only if the development costs can be measured reliably and it is anticipated that the product being built will be completed and will generate future economic benefits in the form of cash flows to the Company. Further information on development activities are provided in the Strategic Report.

Governance

Risk Management

Information on Gfinity's approach to risk management is provided within the Principal Risks and Uncertainties section of this report.

Directors

The following directors held office as indicated below for the year ended 30 June 2022 and up to the date of signing the consolidated financial statements except where otherwise shown.

Neville Upton – Chairman
John Clarke – Chief Executive Officer
Jonathan Hall – Chief Finance and Operations Officer
Leonard Rinaldi – Non-Executive Director
Hugo Drayton – Non-Executive Director
Andrew MacLeod – Non-Executive Director (resigned 22 October 2021)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report.

Governance

Statement of Directors' responsibilities

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

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 the period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM. In preparing these financial statements, the directors are required to:

- present fairly the financial position, financial performance and cashflows of the Company;
- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's 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.

The directors are responsible for ensuring the annual report and the financial statements are made available on the corporate website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Auditors

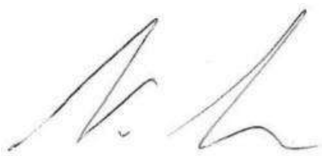
Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are 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.

Jeffreys Henry Audit Limited have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board:



Neville Upton

Chairman
22 December 2022

Independent Auditor’s Report

Opinion

We have audited the financial statements of Gfinity plc (‘Parent Company’) and its subsidiaries (together the ‘Group’) for the year ended 30 June 2022 which comprise the statement of comprehensive income, the statements of financial position, the statements of changes in equity, the statements of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 30 June 2022 and of the Group’s loss for the year then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 of the financial statements, which indicates that the Board have assessed that the Group and Parent Company will require additional external funding, which has not yet been secured, in order to meet its ongoing commitments and therefore a material uncertainty exists over the entity’s ability to continue as a going concern. Whilst management are confident that such funding will be achieved in the near future, there is inherent uncertainty until such time as such funding is secured. As stated in note 2, these events or conditions, along with other matters set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors’ assessment of the Group’s ability to continue to adopt the going concern basis of accounting included, as part of our risk assessment, review of the nature of the business of the Group, its business model and related risks including where relevant the impact of the COVID-19 pandemic, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the Directors’ assessment of the Group’s ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the Directors’ plans for future actions in relation to their going concern assessment.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Independent Auditor's Report (continued)

How we tailored the audit scope

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 the structure of the Group, its accounting processes, its internal controls and the industry in which it operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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 or not due to fraud) 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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty related to going concern section above, we have determined the matters below to be the key audit matters to be communicated in our report.

Below is not a complete list of all risks identified by our audit.

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition and Impairment of goodwill and intangible assets At 30 June 2022, the Group had goodwill of £4,714,399 (2021: £1,904,000) and intangible assets of £4,575,000 (2021: £704,481) largely arising from the acquisition of a number of businesses in recent years including Megit Limited and the trade and assets of Siege.gg which were acquired in the year. Both of these acquisitions gave rise to the recognition of goodwill and intangible assets during the year. The recognition of these intangible assets required the exercise of judgement over their valuation, and the recognition of goodwill required judgement over the future contingent consideration payable. For the purpose of assessing impairment on goodwill and other intangible assets arising from business combinations, these assets were allocated to cash generating units ('CGU') and the recoverable amounts of the CGUs were determined with reference to value-in-use (the 'VIU') calculations using cash flow forecasts. In carrying out impairment assessments, significant management judgement was used to determine the key assumptions underlying the VIU calculations. We have identified the recognition of goodwill and intangibles, and their associated impairment assessment, as a key audit matter because these assets are material to the Group and the estimation of recoverable amounts of the relevant CGUs involves a significant degree of management judgement and therefore is subject to an inherent risk of error.	Our key audit procedures included: • obtaining the underlying purchase documents for the undertaken in the year along with management's accounting assessments; • isolating and challenging judgements applied to acquisition accounting including the determination of contingent consideration, valuation basis for newly recognised intangible assets and the basis deferred taxation on newly recognised intangible assets; • assessing the appropriateness of the VIU calculations used by the management to estimate recoverable amount of CGUs; • reconciling key input data applied in the VIU calculations to reliable supporting evidence; • challenging the reasonableness of key assumptions based on our knowledge and understanding of the business and industry; and • obtaining evidence of the commercial feasibility of the projects supported by the recognised intangible assets. Based on our procedures, we noted no material misstatement in the carrying value of goodwill or intangible assets.

Independent Auditor's Report (continued)

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole. Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group and Parent Company financial statements
Overall materiality	£203,000
How we determined it	5% of Loss on ordinary activities before tax
Rationale for benchmark applied	We deem "Loss on ordinary activities before tax" to be an appropriate benchmark, as the most significant Key Performance Indicator for this type of business and operations is their profitability. The audit team has also taken into consideration that Gfinity management monitor metrics around profit and loss to assess business performance. The same materiality was applied to the Parent Company as 87% of group revenue is recorded in the Parent Company.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above £10,150 as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the Group, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group financial statements and the directors' remuneration report to be audited 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 29, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with the Directors, and from our commercial knowledge and experience of the biotech sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the group's legal advisor.

There are inherent limitations in our audit procedures described above. The more removed the laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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 Group'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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sanjay Parmar

(Senior statutory auditor)

For and on behalf of Jeffreys Henry Audit Limited (Statutory Auditor)

Finsgate

5-7 Cranwood Street

London EC1V 9EE

Date: 22 December 2022

Gfinity Plc

Group Statement of Profit or Loss

For the year ended 30 June 2022

	Notes	Year to 30 June 2022	Year to 30 June 2021
		£	£
CONTINUING OPERATIONS			
Revenue		5,258,977	5,693,385
Cost of sales		(2,546,508)	(3,085,409)
Gross profit/(loss)		**2,712,469**	**2,607,976**
Other Income		1,529	54,354
Administrative expenses	**6**	(6,950,105)	(7,179,327)
Operating loss		**(4,236,107)**	**(4,516,997)**
Gain on disposal of associate	**25**	45,090	459,706
Finance income	**8**	77	4
Finance Costs	**8**	-	(10,236)
Loss on ordinary activities before tax		**(4,190,940)**	**(4,067,524)**
Taxation	**9**	209,968	221,929
Retained loss for the year		**(3,980,972)**	**(3,845,595)**
Loss and total comprehensive income for the period		**(3,980,972)**	**(3,845,595)**
Earnings per Share (Pence - Basic and Diluted)	**10**	**-0.004**	**-0.005**

Gfinity Plc
Group Statement of Comprehensive Income
For the year ended 30 June 2022

	Year to 30 June 2022	Year to 30 June 2021
	£	£
Loss for the Period	**(3,980,972)**	**(3,845,595)**
Other Comprehensive Income		
Foreign exchange profit / (loss) on retranslation of foreign Subsidiaries	(3,458)	(12,887)
Other Comprehensive Income for the period	(3,458)	(12,887)
Loss and total comprehensive income for the period	**(3,984,430)**	**(3,858,482)**

Gfinity Plc
Group Statement of Financial Position
As at 30 June 2022

	Notes	30 June 2022	30 June 2021
		£	£
NON-CURRENT ASSETS			
Property, plant and equipment	**11**	148,510	187,366
Goodwill	**12**	4,714,399	1,903,790
Intangible fixed assets	**13**	4,575,141	704,481
		9,438,050	2,795,637
CURRENT ASSETS			
Trade and other receivables	**15**	1,968,893	1,586,850
Cash and cash equivalents	**16**	2,141,361	1,375,873
		4,110,254	2,962,723
TOTAL ASSETS		**13,548,304**	**5,758,360**
EQUITY AND LIABILITIES			
Equity			
Ordinary shares	**18**	1,315,697	930,513
Share premium account		54,858,008	46,511,089
Other reserves		3,876,676	3,384,914
Retained earnings		(51,283,669)	(47,302,697)
Non controlling interest		3	-
Total equity		**8,766,715**	**3,523,819**
Non-current liabilities			
Other Payables	**19**	840,742	254,986
Deferred Tax Liabilities	**17**	897,575	127,835
Current liabilities			
Trade and other payables	**19**	3,043,272	1,851,720
Total liabilities		4,781,589	2,234,541
TOTAL EQUITY AND LIABILITIES		**13,548,304**	**5,758,360**

Gfinity Plc
Group Statement of Financial Position (continued)
As at 30 June 2022

The notes on pages 46 to 78 form an integral part of these financial statements.

Registered number: 08232509

Signed on behalf of the board on 22 December 2022:

Neville Upton	Jonathan Hall
Chairman	Chief Financial and Operations Officer

Gfinity Plc

Company Statement of Financial Position

As at 30 June 2022

	Notes	30-Jun-22	30-Jun-21
		£	£
NON-CURRENT ASSETS			
Property, plant and equipment	**11**	145,079	179,727
Investment in subsidiaries	**14**	7,100,297	-
Goodwill	**12**	2,274,565	2,568,417
Intangible fixed assets	**13**	1,059,549	530,336
TOTAL NON-CURRENT ASSETS		**10,579,490**	**3,278,479**
CURRENT ASSETS			
Trade and other receivables	**15**	1,880,830	2,051,596
Cash and cash equivalents	**16**	1,361,279	1,329,815
TOTAL CURRENT ASSETS		**3,242,109**	**3,381,410**
TOTAL ASSETS		**13,821,599**	**6,659,890**
EQUITY AND LIABILITIES			
Equity			
Ordinary shares	**18**	1,315,697	930,513
Share premium account		54,858,008	46,511,089
Other reserves		3,898,634	3,403,414
Retained earnings		(50,539,126)	(46,340,461)
Total equity		**9,533,213**	**4,504,555**
Non-current liabilities			
Other creditors	**19**	840,751	254,986
Deferred tax liabilities	**17**	895,751	94,748
Current liabilities			
Trade and other payables	**19**	2,551,884	1,805,601
Total liabilities		**4,288,386**	**2,155,334**
TOTAL EQUITY AND LIABILITIES		**13,821,599**	**6,659,890**

Gfinity Plc

Company Statement of Financial Position (continued)

As at 30 June 2022

The notes on pages 46 to 78 form an integral part of these financial statements.

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented as part of these financial statements. The parent Company's loss for the year amounts to £4,198,665 (2021: loss of £5,739,305).

Registered number: 08232509

Signed on behalf of the board on 22 December 2022:

Neville Upton	Jonathan Hall
Chairman	Chief Financial and Operations Officer

Gfinity Plc
Group Statement of Changes in Equity
As at 30 June 2022

	Ordinary shares	Share premium	Share option reserve	Retained earnings	NCI	Forex	Total equity
	£	£	£	£	£	£	£
At 30 June 2020	725,868	44,405,085	3,137,831	(43,457,102)	-	(5,613)	4,806,070
Loss for the period	-	-	-	(3,845,595)	-	-	(3,845,595)
Other comprehensive income	-	-	-	-	-	(12,887)	(12,887)
Total comprehensive income	-	-	-	(3,845,595)	-	(12,887)	(3,858,482)
Proceeds of shares issued	204,645	2,110,793	-	-	-	-	2,315,438
Share Issue Costs	-	(4,789)	-	-	-	-	(4,789)
Share options expensed	-	-	265,583	-	-	-	265,583
Total transactions with owners, recognised directly in equity	204,645	2,106,004	265,583	-	-	-	2,576,232
At 30 June 2021	930,513	46,511,089	3,403,414	(47,302,697)	-	(18,500)	3,523,819
Loss for the period	-	-	-	(3,980,972)	-	-	(3,980,972)
Other comprehensive income	-	-	-	-	-	(3,458)	(3,458)
Total comprehensive income	-	-	-	(3,980,972)	-	(3,458)	(3,984,430)
Proceeds of shares issued	385,184	8,667,150	- -	-	-	-	9,052,334
Share Issue Costs	-	(320,231)	4 9 5 , 2 2	-	-	-	(320,231)
Share options expensed	-	-	0 -	-	-	-	495,220
Addition of NCI	-	-		-	3	-	3
Total transactions with owners, recognised directly in equity	385,184	8,346,919	495,220	-	3	-	9,227,326
At 30 June 2022	1,315,697	54,858,008	3,898,634	(51,283,669)	3	(21,958)	8,766,715

Gfinity Plc
Company Statement of Changes in Equity
AS at 30 June 2022

	Ordinary shares	Share premium	Share option reserve	Accumulated Deficit	Total equity
	£	£	£	£	£
At 30 June 2020	725,868	44,405,085	3,137,831	(40,601,156)	7,667,628
Loss for the period	-	-	-	(5,739,305)	(5,739,305)
Other Comprehensive Income	-	-	-	-	-
Total comprehensive income	-	-	-	(5,739,305)	(5,739,305)
Shares Issued	204,645	2,110,793	-	-	2,315,438
Share issue costs	-	(4,789)	-	-	(4,789)
Share options issued	-	-	265,583	-	265,583
Shares as deferred consideration	-	-	-	-	-
Total transactions with owners, recognised directly in equity	204,645	2,106,004	265,583	-	2,576,232
At 30 June 2021	930,513	46,511,089	3,403,414	(46,340,461)	4,504,555
Loss for the period	-	-	-	(4,198,665)	(4,198,665)
Other Comprehensive Income	-	-	-	-	-
Total comprehensive income	-	-	-	(4,198,665)	(4,198,665)
Shares Issued	385,184	8,667,150	-	-	9,052,334
Share issue costs	-	(320,231)	-	-	(320,231)
Share options issued	-	-	495,220	-	495,220
Shares as deferred consideration	-	-	-	-	-
Total transactions with owners, recognised directly in equity	385,184	8,346,919	495,220	-	9,227,323
At 30 June 2022	1,315,697	54,858,008	3,898,634	(50,539,126)	9,533,213

Gfinity Plc
Group Statement of Cash Flows
For the year ended 30 June 2022

	Notes	Year to 30 June 2022 £	Year to 30 June 2021 £
Cash flow used in operating activities			
Net cash used in operating activities	**20**	(2,573,719)	(2,049,833)
Cash flow from/(used in) investing activities			
Interest received	**8**	77	4
Additions to property, plant and equipment	**11**	(74,137)	(106,642)
Additions to intangible assets	**13**	(685,951)	(16,030)
Net outflow on business combination	**26**	(1,774,020)	-
Proceeds of Associate Gain / (Loss)	**25**	45,090	459,706
Issue of shares to non controlling interest		3	-
Net cash used in investing activities		(2,488,938)	337,038
Cash flow from/(used in) financing activities			
Issue of equity share capital net of issue cost		5,831,603	1,950,649
Repayment of leases		-	(439,621)
Bank interest payable		-	(10,236)
Net cash from financing activities		5,831,603	1,500,792
Net increase in cash and cash equivalents		768,946	(211,833)
Effect of currency translation on cash		(3,458)	(12,890)
Opening cash and cash equivalents		1,375,873	1,600,596
Closing cash and cash equivalents		**2,141,361**	**1,375,873**

Gfinity Plc
Company Statement of Cash Flows
For the year ended 30 June 2022

	Note	Year to 30 June 2022 £	Year to 30 June 2021 £
Cash flow used in operating activities			
Net cash used in operating activities	**20**	(3,311,110)	(2,040,690)
Cash flow from/(used in) investing activities			
Interest received	**8**	1	4
Additions to property, plant and equipment	**11**	(74,139)	(105,327)
Additions to Intangible Assets	**13**	(685,951)	(16,030)
Payments to acquire trade & assets on business combination	**26**	(1,774,029)	0
Proceeds of Associate Gain / (Loss)	**25**	45,090	459,706
Net cash used in investing activities		(2,489,029)	338,353
Cash flow from/(used in) financing activities			
Issue of equity share capital		5,831,603	1,950,650
Repayment of leases		0	(439,621)
Bank interest payable		0	(10,236)
Net cash from financing activities		5,831,603	1,500,793
Net increase in cash and cash equivalents		31,464	(201,545)
Opening cash and cash equivalents		1,329,815	1,531,360
Closing cash and cash equivalents		**1,361,279**	**1,329,815**

Notes to the Financial Statements

1. GENERAL INFORMATION

Gfinity plc ("the Company") is a public company limited by shares incorporated in the United Kingdom under the Companies Act 2006, registered in England and Wales and is AIM listed. The address of the registered office is given on page 2. The registered number of the company is 08232509.

The functional and presentational currency is £ sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 2. Principal activities are discussed in the Strategic report.

2. ACCOUNTING POLICIES

Basis of preparation

The Company has prepared the accounts on the basis of all applicable International Financial Reporting Standards (IFRS), including all International Accounting Standards (IAS), Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB) with effective dates for accounting periods beginning on or after 1 July 2021, together with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The accounts have been prepared on the historical cost basis, except for otherwise stated below. The principal accounting policies, which have been consistently applied throughout the period presented, are set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Estimates and judgements are continually reviewed and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Standards, Interpretation and amendments to published standards effective in the accounts

The Group has applied the following new standards and interpretations for the first time for the annual reporting period commencing 1 July 2021:

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform.
- IFRS 17 Insurance Contracts.

The adoption of the standards and interpretations listed above has not led to any changes to the Group's accounting policies or had any other material impact on the financial position or performance of the Group.

Standards, interpretation and amendments to published standards that are not yet effective

New standards and interpretations that are in issue but not yet effective are listed below:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Amendments to IFRS 17
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement.
- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The adoption of the above standards and interpretations is not expected to lead to any changes to the Group's accounting policies or have any other material impact on the financial position or performance of the Group.

Going Concern

Over the past three years, directors have refocused Gfinity's business to build growth based around owned and scalable properties, including Gfinity's Digital Media business and proprietary esports technology. This has facilitated a reduction in operating expenditure, with a move towards a variable cost model allowing the business to better manage through peaks and troughs in demand.

This strategy has enabled the business to deliver a third consecutive reduction in the Adjusted Operating Loss in the year to June 2022. It is also ensuring that together with improved financial performance, Gfinity is continuing to develop assets that provide the business with underlying value and will provide sustainable, recurring revenue streams into the future.

Directors believe that this is the right strategy to deliver long term growth in shareholder value. Specifically, over the coming 12 months, this will include further investment into the proprietary Athlos technology and the identification of further opportunities to continue to expand Gfinity's Digital Media network.

Directors are in advanced conversations with a number of parties, as to the potential to bring in strategic investment to support this continued growth strategy and believe that these conversations will be successful.

In the event that such strategic investment was not forthcoming, directors still believe that investment would be secured to allow the business to meet its obligations as they fall due. This belief is supported by:

- The underlying value of the assets and Intellectual Property that have been created within the business;
- Gfinity's reputation as a market leader, with a prestigious client base, in a sector that is continuing to attract significant investment; and
- A proven ability to raise funds, even in difficult investment markets.

Whilst the Board acknowledge material uncertainties, the directors are confident that the cash flow forecasts for the Group will have sufficient working capital to settle its liabilities as they fall due for a period of not less than twelve months from the date of the approval of these consolidated financial statements. Consequently, the consolidated financial statements have been prepared on a going concern basis with material uncertainty.

Basis of consolidation

The Group accounts consolidate those of the Company and all of its subsidiary undertakings drawn up to 30 June each year. Subsidiary undertakings are those entities over which the Group has the ability to govern the financial and operating policies through the exercise of voting rights. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

All intra group balances, transactions, income and expenses and profit and losses on transactions between the Company and its subsidiaries and between subsidiaries are eliminated.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ('CGUs') expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Investment in subsidiaries

Investments in subsidiaries are held in the Company balance sheet at cost and reviewed annually for impairment.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the normal course of the Group's activities. Revenue is shown net of value added tax.

To determine whether to recognise revenue, the Group follows a 5-step process:

1 Identifying the contract with a customer.
2 Identifying the performance obligations.
3 Determining the transaction price.

(a) Allocating the transaction price to the performance obligations.
(b) Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue comprises:

- Partner programme delivery fees: Revenue recognised in line with the date at which work is performed.

- Sponsorship revenues: Revenue is recognised on the date the relevant sponsored event takes place. In the event of long-term sponsorship contracts, the revenue is released on a straight-line basis across the term of the contract, except in instances where a significant proportion of the revenue relates to specific activation activities, in which case the revenue is released in line with when that work is performed.

- Advertising revenues: Fees are earned each time a user clicks on one of the ads that are displayed on the website. Revenue is recognised on a pay-per-click, or cost per mille (CPM) basis.

- Broadcaster revenues: Rights fees are received from linear broadcasters and online streaming platforms in return for rights to access broadcast content. Revenue is recognised once the relevant performance obligations are completed which is typically at the point the broadcast occurs.

- Licensing revenues: Fees charged for the licensing of Gfinity esports technology, outside of the scope of a broader managed esports service provision.

- Consultancy Fees: Revenue is recognised in line with the profile of resources dedicated to the programme across the assignment duration.

Leases and right-of-use-assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right- of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of- use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method, and is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Short-term leases and leases of low-value assets:

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the year.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period. Exchange differences arising from the translation of the Group's foreign operations are recognised in other comprehensive income.

Taxation

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

The charge for current tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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 computations of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or any discount on acquisition) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that the directors do not have a high degree of certainty that sufficient taxable profits will be available in the medium-term to allow all or part of the asset to be recovered.

Credits in respect of Research and Development activities are recognised at the point at which the asset becomes profitable and quantifiable. This is typically at the point at which a claim has been prepared and submitted to HMRC.

Share based payments

The Company provides equity-settled share-based payments in the form of share options. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the date of grant is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares which will eventually vest and adjusted for the effect of non-market based vesting conditions. The Company uses an appropriate valuation model utilising a Black-Scholes model in order to arrive at a fair value at the date share options are granted.
In instances when shares are used as consideration for goods or services the shares are valued at the fair value of the goods or services provided. The expense to the company is recognised at the point the goods or services are received.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and that the cost of the item can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of tangible fixed assets to their residual values over their useful economic lives, as follows:

Office equipment	3 years straight line
Computer equipment	3 years straight line
Production equipment	3 years straight line
Leasehold improvements	Over the period of the lease or, where management have reasonable grounds to believe the property will be occupied beyond the terms of the lease, 3 years straight line

The residual values and useful economic lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains or losses in the income statement.

Intangible fixed assets

Intangible assets other than goodwill are recognised where the purchase or internal development of such assets are expected to directly contribute towards the company's ability to generate revenues .

Intangible fixed assets are stated at historical cost less accumulated amortisation and impairment, if any. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Where the cost is not clearly identifiable discounted cash flows are utilised to estimate either the cost to develop the resource or, where there are already profits attributable the asset, to estimate future cash inflows. Historical cost includes expenditure that is directly attributable to the acquisition or development of the items. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and that the cost of the item can be measured reliably.

Amortisation is charged on a straight-line basis over the estimated useful economic life of the asset as follows:

Software development	3 years straight line
Web traffic acquired in business combination	3 years straight line
Technology Platform	5 years straight line
Customer Relationships	5 years

Research and development costs

Development expenditure is capitalised as an intangible asset, only if the development costs can be measured reliably and it is anticipated that the product being built will be completed and will generate future economic benefits in the form of cash flows to the Group.

Research expenditure that does not meet this criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. These are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities are obligations to pay cash or other financial instruments and are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into. All interest-related charges are recognised as an expense in the income statement.

Trade and other payables are not interest bearing and are recorded initially at fair value net of transactions costs and thereafter at amortised cost using the effective interest rate method.

An equity instrument is any contract that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets

Financial assets are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument and are recognised in the balance sheet at the lower of cost and net realisable value.

Provision is made for diminution in value where appropriate.

Income and expenditure arising on financial instruments is recognised on the accruals basis and credited or charged to the statement of comprehensive income in the financial period to which it relates.

Trade receivables do not carry any interest and are initially recognised at fair value, subsequently reduced by appropriate allowances for estimated irrecoverable amounts.

Warrants

Warrants are in respect of call options granted to investors by the group and are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The fair value of warrants is determined at the date of grant and is recognised in equity. When the warrants are exercised, the group transfers the appropriate amount of shares to the investor, and the proceeds received net of any directly attributable transaction costs are credited directly to equity.

The group uses an appropriate valuation model utilising a Black-Scholes model in order to arrive at a fair value at the date warrants are granted.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the use of certain estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Estimates and judgements are continually reviewed and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Judgement: Revenue recognition:

The Group's revenue recognition policy is based on separating contracts into discrete performance obligations with revenue then recognised based on the percentage completion of each performance obligation unless recognised at appoint in time. Where the value of each distinct performance obligation is not set out in a contract Management estimate the value of each performance obligation based on the level of resource required to complete the performance obligation in comparison to the overall level of resource required to fulfil the contract. For example, if a contract did not stipulate the value by region of a broadcast agreement management would use appropriate weighting (e.g. audience size) to estimate the value of each region, with each region viewed as a separate performance obligation. Revenue would then be recognised based on the percentage completion of each performance obligation. In instances where there is no other readily available proxy Management will estimate the value of each performance obligation based on the relative cost to deliver.

Revenue settled by means other than cash (e.g. via equity in an associate) is recognised based on the value stipulated in the contract for goods or services, which would be set at fair value, with the revenue then recognised based performance obligations in the manner described above.

Stock Informer Revenue that is recognised on a monthly is based on the transactional sales value of all transactions in month for all associate affiliate partners. The transactional sales value represents the total commission value due to Gfinity of all pending and approved payments coming in for a given month across the affiliate 3rd party providers that are contracted and based on the specific affiliate commission % with Stock Informer. In month "Transactional Value" will specifically exclude approved payments from prior months, as this has already been recognised as revenue in the prior months. A credit note provision is raised monthly which is based on the value of all pending commission transactions across all affiliates with a credit note % assumption applied to this which is based on the average return % over the past 6 months. The credit note provision is assessed monthly in relation to the level of pending transactions that have either been paid resulting in earnings, which results in a release of the provision, or declined, which results in a credit and offset against the credit note provision, thus utilising the provision in place

There were no revenue contracts requiring judgement that impact on the reported revenue for the financial year, or contract assets or liabilities at the balance sheet date for either the current or the prior year

Judgement and estimation: Intangible assets recognised in business combinations:

Intangible assets in business combinations are recognised when the asset is separately identifiable and based on the probable future economic benefit that arises owing to the Group's control of the asset. Typically, the Group will utilise a discounted cash flow to establish the future economic benefits and therefore the fair value of the asset.

The Group identified five intangible assets in relation to the two acquisitions undertaken in the year to 30 June 2018, three intangible assets in relation to the acquisition of EpicStream Inc. on 3 December 2020, and 2 acquisitions undertaken in the year to 30 June 2022, namely, StockInformer (Megit Ltd) and Siege.gg. As these assets have a finite economic life, in line with IAS 36, they are only subject to further testing for impairment when there are either internal or external indicators of impairment. Based on a review of updated cash flow projections it was decided that there were no indicators of impairment in any of the intangible assets. Following further review of updated cash flow projections relating to the intangibles, it was determined that no impairment was required. This further testing is discussed in the 'Impairment testing' section below.

Estimation: Impairment testing:

On an annual basis the Group reviews relevant classes of assets, including investments, intangible assets and goodwill for indications of impairment. Where such indications exist, full impairment testing through an analysis of the value of future cash flows is undertaken. The recoverable amounts of cash generating units have been determined based on value-in-use calculations which require the use of estimates. Management has prepared discounted cash flows based on the latest strategic plan. Discount rate has been calculated using the Capital Asset Pricing model with reference to the value of UK 10-year gilts as a proxy for a risk-free rate and the volatility of Gfinity's share price relative to that of AIM since listing.

Goodwill carried in relation to CEVO in the group financial statements:

Gfinity acquired CEVO, Inc in July 2017, since which time the CEVO business has provided significant value to the overall Group.

All goodwill in respect of the Gfinity acquisition of CEVO was fully written down in the prior year

Goodwill carried in relation to Real Sport:

The carrying value of goodwill in relation to RealSport was assessed using the bottom-up financial model created as part of the business planning process, which reflects the strong growth in monetisation seen through FY22.

This model assumes a monthly average number of unique visitors to the platform through FY23 of 3.6m from an average of 3.3m in FY22. By way of comparison the most recent monthly total (in September 2022) was 2.8m, with growth expected in Q4, with further game releases. Thereafter it is assumed that audience numbers will increase at an a CAGR of 20% p.a. for the next 2 years, before levelling off slightly with a 11% and 6% in the following 2 years respectively.

Revenue has been calculated using a blended rate, factoring in both real time bidding and direct sale banner advertising, video advertising and cost per click affiliate revenues, giving an overall rate of 20p per annum in FY23 per monthly average user.

On this basis, the net present value of future cash flows illustrates a favorable position and a surplus to the carrying value of goodwill, with the intangibles recognized in respect of the RealSport acquisition having been fully amortised. On that basis, no impairment is proposed.

Goodwill and Intangible Assets carried in relation to EpicStream:

Three intangible assets were recognized in respect of the acquisition of EpicStream:

- The existing social audience and related domain authority of the main EpicStream site (Epicstream.com)
- The value of the Magic the Gathering social audience, which has been leveraged to create a new site (MTGRocks.com); and
- The remaining social audience from a Facebook community featuring over 6 million likes.

These assets, net of deferred tax, had a combined value of £0.6m and a Goodwill value of £0.25m.

The requirement for full impairment testing was assessed through a comparison of actual cash flows generated from the EpicStream business, against the cash flow projections used in calculation of the original asset values. Since acquisition, users, revenue, and profitability on EpicStream and MTG Rocks have exceeded our original projections no impairment is proposed.

Goodwill and Intangibles carried in relation to StockInformer (Megit Ltd):

Two separate intangible assets were identified within the Stock Informer acquisition:

- Value of domain authority (affiliate and advertising income): relating to monetization on Stock Informers sites, based on their reputation and domain authority; and
- Value of technology to be leveraged across other Gfin properties: reflecting the ability to utilize Stock Informers price and stock availability checking technology and deploy it across the rest of the Gfinity Digital Media network, providing live price comparison information to people reading relevant content.

Future values of both intangible assets were assessed based on expected future cash flow values of £4.1m over a 4-year period, with both exceeding the carrying values of the intangible assets at year-end, and thus no impairment was required.

The Directors expect continued high margin profit from the Stock Informer business, boosted by growth in the value of the technology across the wider Gfinity Digital Media Group. On this basis Directors have assessed that no impairment charge to the goodwill value at year-end of £2.9m is therefore proposed.

Goodwill and intangibles carried in relation to Siege.gg:

Siege.gg is the leading digital property in the competitive Rainbow 6 Siege space. They have a strong audience and domain authority, together with proprietary a statistical database utilized by leading teams, for which a new licensing structure has recently been introduced and is currently being trialed with teams. Directors believe that these assets will help drive the Siege.gg business into profitability in the year to June 24, with larger gains following from that point.

Deferred Consideration:

On acquisition the value of Siege.gg's domain authority was estimated at £155,989. A full projection of expected future cash flows from Siege has been undertaken which indicated the 4-year NPV of £100,215, in comparison to the carrying value of £113,965. On that basis an impairment charge of £13,750 is proposed.

The present value of these future cash flows has been estimated at £554k. As a result, no impairment is proposed to the goodwill value of £0.4m at year-end.

4. Revenue

The Group's policy on revenue recognition is as outlined in note 2. The year ending 30 June 2022 included £0.2m included in the contract liability balance at the beginning of the period (2021: £0.36m). The Group's revenue disaggregated by primary geographical market is as follows:

	Year to 30 June 2022			
	Gfinity		**Cevo**	**Total**
	£	**£**	**£**	**£**
United Kingdom	2,287,335	-	541,755	2,829,090
North America	1,455,497	108,485	-	1,563,982
ROW	865,904	-	-	865,904
Total	**4,608,737**	**108,485**	**541,755**	**5,258,977**

	Year to 30 June 2021			
	Gfinity	**Cevo**	**Megit**	**Total**
	£	**£**	**£**	**£**
United Kingdom	4,144,440	-	-	4,144,440
North America	902,408	322,741	-	1,225,150
ROW	539,069	-	-	539,069
Total	**5,585,918**	**322,741**	**-**	**5,908,659**

The Group's revenue disaggregated by pattern of revenue recognition and business unit is as follows:

	Year to 30 June 2022			
	Gfinity	**Cevo**	**Megit**	**Total**
	£	**£**	**£**	**£**
Services transferred at a point in time	2,913,332	108,485	541,755	3,563,572
Services transferred over time	1,695,405	-	-	1,695,405
Total	**4,608,737**	**108,485**	**541,755**	**5,258,977**

	Year to 30 June 2021			
	Gfinity		Cevo	Total
	£	£	£	£
Services transferred at a point in time	3,432,959	322,741	-	3,755,700
Services transferred over time	2,152,959	-	-	2,152,959
Total	**5,585,918**	**322,741**	**-**	**5,908,659**

As at 30 June 2022 the Group had the amounts shown below held on the consolidated statement of financial position in relation to contracts either performed in full during the year or ongoing as at the year end. All amounts were either due within one year or, in the case of contract liabilities, the work was to be performed within one year of the balance sheet date

	Year to 30 June 2022	Year to 30 June 2021
	£	£
Trade Receivables	928,446	984,996
Contract Assets	246,428	244,835
Contract Liabilities	208,715	364,024

Trade receivables are non-interest bearing and are generally on 30-day terms.

Contract assets are initially recognised for revenue earned while the services are delivered over time or when billing is subject to final agreement on completion of the milestone. Once the amounts are billed the contract asset is transferred to trade receivables.

Contract liabilities arise when amounts are paid in advance of the delivery of the service. These are then transferred to the statement of comprehensive income as either milestones are completed or work is completed overtime. Revenue of £0.15m was recognised in the year ending 30 June 2022 that was held as a contract liability as 30 June 2021. All these amounts were held in Gfinity.

5. SEGMENTAL INFORMATION

The management consider the group to operate as a single segment following the integration of Cevo's activities into that of the group (included in Chief Financial and Operations Officer's Report in Strategic Report) and therefore no segmental analysis is required.

The Group has one single external customer which have revenue equal to or greater than 10% of the group's revenue. The revenue from the customer is: £1.4m. The customer is a major sports rights holder, financial services and media company.

6. OPERATING EXPENSES

Operating loss is stated after charging:

	Group	
	Year to 30 June 2022	Year to 30 June 2021
	£	£
Depreciation of property, plant and equipment	112,993	132,478
Depreciation on Right of Use assets	-	428,305
Amortisation & impairment of intangible fixed assets	1,631,734	492,700
Goodwill impairment	-	901,519
Rentals under short-term leases	-	439,621
Staff costs (see note 7)	3,406,569	2,844,336
Costs of inventories expensed	-	-
Auditors' remuneration for auditing the accounts of the Company	72,000	66,500
Auditors' remuneration for other non-audit services:		
- Other services related to taxation	7,229	8,408
- All other services	16,101	21,836
Net foreign exchange (gains)/ losses	(54,405)	34,027

7. PARTICULARS OF EMPLOYEES

Number of employees

The average number of people (including directors) employed by the Group and Company during the financial period was:

Group		Company	
Year to 30 June 2022	Year to 30 June 2021	Year to 30 June 2022	Year to 30 June 2021
44	38	39	35

The aggregate payroll costs of staff (including directors) were:

	Group	
	Year to 30 June 2022	Year to 30 June 2021
	£	£
Wages and salaries	2,514,773	2,253,444
Social security costs	340,929	271,347
Pensions	55,648	53,962
Share based payment s (Note 22)	495,220	265,583
	3,406,569	**2,844,336**

Total remuneration for Directors during the year was £520,141 (2021: £444,428).

The board of directors comprise the only persons having authority and responsibility for planning, directing and controlling the activities of the Group.

8. FINANCE INCOME/COSTS

	Group	
	Year to 30 June 2022	Year to 30 June 2021
	£	£
Interest income on bank deposits	77	4
Finance lease interest	0	(9,227)
Other interest cost	0	(1,009)
	77	**(10,232)**

9. TAXATION

1. Major components of taxation expense for the period ended 30 June 2022 are:

	Group	
	Year to 30 June 2022	Year to 30 June 2021
	£	£
Income Statement		
Current tax		
Corporation tax charge/ (credit)	84,600	(162,957)
Total current tax	**84,600**	**(162,957)**
Deferred tax		
Relating to origination and reversal of temporary differences	(294,568)	(58,972)
Taxation charge/ (credit) reported in the income statement	**(209,968)**	**(221,929)**

2. Factors affecting tax charge for the period

A reconciliation of taxation expense applicable to accounting profit before taxation at the statutory tax rate of 19% (2021: 19%), to taxation expense at the Company's effective tax rate for the period is as follows:

	Group	
	Year to 30 June 2022	Year to 30 June 2021
	£	£
Loss on ordinary activities before taxation	(3,896,372)	(3,845,796)
Profit/ (Loss) multiplied by tax	**(740,311)**	**(730,701)**
Effect of:		
Expenses not deductible for tax purposes	102,803	318,906
Movment in unrecognised deferred tax arising from tax losses	676,212	709,763
Movment in unrecognised deferred tax arising from other temporart timing differences	(333,272)	(356,940)

Corporation tax charge/ (credit)	84,600	(162,957)
Taxation charge/ (credit) reported in the income statement	**(209,968)**	**(221,929)**

3. Unrecognised deferred tax asset

The Group has an unrecognised deferred tax asset arising from trading losses carried forward of £8,663,001 (2021: 10,508,932) calculated at the substantively enacted Corporation tax rate at the balance sheet date of 19% (2021: 25%). These trading losses will reverse against future taxable trading profits and no asset has been recognised due to uncertainties over the timing and nature of such gains in accordance with IAS 12.

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

IAS 33 requires presentation of diluted EPS when a Company could be called upon to issue shares that would decrease earnings per share or increase the loss per share. For a loss making Company with outstanding share options, net loss per share would be decreased by the exercise of options and therefore the effect of options has been disregarded in the calculation of diluted EPS.

	Group		**Com pany**	
	Year to 30 June 2022	**Year to 30 June 2021**	**Year to 30 June 2022**	**Year to 30 June 2021**
	£	**£**	**£**	**£**
Loss attributable to shareholders from continuing operations	(3,984,430)	(3,858,482)	(4,198,665)	(5,739,305)
	Number 000's	**Number 000's**	**Number 000's**	**Number 000's**
Weighted average number of ordinary shares	1,122,821	809,795	1,122,821	809,795
Loss per ordinary share for continuing operations	(0.004)	(0.005)	(0.004)	(0.007)

11. PROPERTY PLANT AND

EQUIPMENT Group Property Plant and

Equipment

	Office equipment	Computer & production	Leasehold Improvement	Total
	£	**£**	**£**	**£**
Cost				
At 1 July 2020	63,143	989,576	1,633,942	2,686,661
Additions	-	106,642	-	106,642
Disposals	-	(85)	-	(85)
At 30 June 2021	63,143	1,096,133	1,633,942	2,793,218
Depreciation				
At 1 July 2020	29,842	918,072	1,097,155	2,045,069
Charge for the period	32,504	88,729	439,549	560,783
At 30 June 2021	62,346	1,006,801	1,536,704	2,605,852
Net book value				
At 30 June 2021	797	89,331	97,238	187,366
At 30 June 2020	33,301	71,505	536,787	641,594

	Office equipment	Computer & production equipment	Leasehold Improvement	Total
	£	£	£	£
Cost				
At 1 July 2021	63,143	1,096,133	1,633,942	2,793,218
Additions	-	74,137	-	74,137
At 30 June 2022	63,143	1,170,270	1,633,942	2,867,355
Depreciation				
At 1 July 2021	62,346	1,006,801	1,536,704	2,605,852
Charge for the period	797	106,510	5,686	112,993
At 30 June 2022	63,143	1,113,331	1,542,390	2,718,845
Net book value				
At 30 June 2022	-	56,958	91,552	148,510
At 30 June 2021	797	89,331	97,238	187,366

Company Property Plant and Equipment

	Office equipment	Computer & production equipment	Leasehold Improvement	Total
	£	£	£	£
Cost				
At 1 July 2020	51,743	962,994	1,633,941	2,648,678
Additions	-	105,327	-	105,327
Disposals	-	(85)	-	(85)
At 30 June 2021	51,743	1,068,236	1,633,941	2,753,920
Depreciation				
At 1 July 2020	27,280	908,762	1,097,155	2,033,197
Charge for the period	12,717	88,729	439,549	540,996
Disposals	-	-	-	-
At 30 June 2021	39,997	997,491	1,536,704	2,574,193
Net book value				
At 30 June 2021	11,746	70,745	97,237	179,727
At 30 June 2020	24,463	54,232	536,786	615,481
Cost				
At 1 July 2021	51,743	1,068,236	1,633,941	2,753,920
Additions	-	74,138	-	74,138
At 30 June 2022	51,743	1,142,374	1,633,941	2,828,058
Depreciation				
At 1 July 2021	39,997	997,491	1,536,704	2,574,193
Charge for the period	9,546	93,555	5,686	108,787
Disposals	-	-	-	-
At 30 June 2022	49,543	1,091,046	1,542,390	2,682,980
Net book value				
At 30 June 2022	2,200	51,328	91,551	145,079
At 30 June 2021	11,746	70,745	97,237	179,727

12. GOODWILL

Group

	£
Cost	
At 1 July 2021	1,903,790
Additions arising from business combinations	2,810,609
At 30 June 2022	**4,714,399**
Impairment	
At 1 July 2021	-
Charge for the period	-
At 30 June 2022	**-**
Net book value	
At 30 June 2022	4,714,399
At 30 June 2021	**1,903,790**

Company

	£
Cost	
At 1 July 2021	2,568,417
Additions	370,775
At 30 June 2022	**2,939,192**
Impairment	
At 1 July 2021	-
Charge for the period	664,627
At 30 June 2022	**664,627**
Net book value	
At 30 June 2022	2,274,565
At 30 June 2021	**2,568,417**

Goodwill of £2,439,834 has been recognised in the Group financial statements following the acquisition of Megit Ltd Inc, on 14th September 2021 (note 26).

Goodwill of £370,775 has been recognised in the Company financial statements following the acquisition of trade and assets of Siege Inc, on 8th September 2021 (note 26).

Refer to Note 3 for details of impairment tests.

13. INTANGIBLE FIXEDASSETS

Group

	Customer Relationships	RealSport Platform	Cevo Gaming Platform	Assets Under Construction	Web Platforms	Total
	£	£	£	£	£	£
Cost						
At 1 July 2020	1,198,661	935,518	281,383	57,724	-	2,473,286
Additions	-	-	-	-	7,195	7,195
Acquisitions through business combination	-	-	-	-	576,822	576,822
Disposals	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-
At 30 June 2021	1,198,661	935,518	281,383	57,724	584,017	3,057,303
						-
Amortisation						-
At 1 July 2020	975,611	718,773	165,738	-	-	1,860,122
Charge for the period	108,118	216,745	56,431	-	111,406	492,700
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
At 30 June 2021	1,083,729	935,518	222,169	-	111,406	2,352,822
Net book value						
At 30 June 2021	114,932	-	59,214	57,724	472,612	704,482
At 30 June 2020	223,050	216,745	115,645	57,724	-	613,164

	Customer Relationships	RealSport Platform	Cevo Gaming Platform	Assets Under Construction	Web Platforms	Engage	Total
	£	£	£	£	£	£	£
Cost							
At 1 July 2021	1,198,661	935,518	281,383	57,724	584,017	-	3,057,303
Additions	-	-	-	-		685,951	685,951
Acquisitions through business combination (Note 26)	-	-	-	-	4,816,443		4,816,443
Disposals	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-
At 30 June 2022	1,198,661	935,518	281,383	57,724	5,400,460	685,951	8,559,697
Amortisation							-
At 1 July 2021	1,083,729	935,518	222,169	-	111,406	-	2,352,822
Charge for the period	108,118	-	56,431	-	1,390,196		1,554,745
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	57,724	19,265	-	76,989
At 30 June 2022	1,191,847	935,518	278,600	57,724	1,520,867	-	3,984,556
Net book value							
At 30 June 2022	6,814	-	2,783	-	3,879,593	685,951	4,575,141
At 30 June 2021	114,932	-	59,214	57,724	472,612	-	704,481

Company

	Assets Under Construction	Web Platforms	Total
	£	£	£
Cost			
At 1 July 2020	57,724	-	57,724
Additions	-	7,195	7,195
Acquisitions through business combination	-	576,822	576,822
Disposals	-	-	-
At 30 June 2021	57,724	584,017	641,741
Amortisation			
At 1 July 2020	-	-	-
Charge for the period	-	111,406	111,406
Disposals	-	-	-
At 30 June 2021	-	111,406	111,406
Net book value			
At 30 June 2021	57,724	472,611	530,336
At 30 June 2020	57,724	-	57,724

	Assets Under Construction	Web Platforms	Proprietary Esports Platform £	Total
	£	£		£
Cost				
At 1 July 2021	57,724	584,017	-	641,741
Additions	-	-	685,951	685,951
Acquisitions through business combination	-	155,989	-	155,989
Disposals	-	-	-	-
At 30 June 2022	57,724	740,006	685,951	1,483,681
Amortisation				
At 1 July 2021	-	111,406	-	111,406
Charge for the period	-	235,738	-	235,738
Disposals	-	-	-	-
Impairment	57,724	19,265	-	76,989
At 30 June 2022	57,724	366,409	-	424,133
Net book value				
At 30 June 2022	-	373,597	685,951	1,059,549
At 30 June 2021	57,724	-	-	57,724

The investment shown in the Proprietary Esports Platform reflects the costs of staff and contractors dedicated to the adaptation of Gfniity's underlying esports platform, in a licensable SaaS based product, which can be deployed at scale to multiple clients Directors expect this product to form a significant component of the Group's future financial success.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	Year to 30 June 2022	**Year to 30 June 2021**
	£	**£**
At 1 July	-	4,466,133
Reclassifying investment in subsidiary to goodwill	-	(2,307,634)
Impairment	-	(2,158,499)
Additions	7,100,297	-
At 30 June	**7,100,297**	**-**

The addition to investments in subsidiaries represented the purchase of Megit Ltd on 14th September 2021. The fair value of consideration at acquisition was £7,100,288 for 100% of the share capital of Megit Ltd. The remaining £9 represents ownership of 100% and 72% of the share capital in Athlos Game Technologies Ltd and AFG-Games Ltd respectively.

Subsidiary undertaking	Country of incorporation	Holding	Proportion of voting rights and capital held	Nature of business
CEVO Inc.	USA	Ordinary shares	100%	IT Development and Tournament and event operator
RealSM Limited	England	Ordinary Shares	100%	Online media
Megit Limited	England	Ordinary Shares	100%	eCommerce and affiliate revenues
Athlos Game Technologies Ltd	England	Ordinary Shares	100%	Software as a service
AFG-Games Ltd	England	Ordinary Shares	72%	Dormant

RealSM Ltd's registered office address is The Foundry, 77 Fulham Palace Road, London, United Kingdom, W6 8JB. CEVO's registered address is 128 Maringo Rd, Ephrata, WA 98823. Athlos Game Technologies Ltd registered office address is 16 Great Queen Street, London, England, WC2B 5AH. AFG-Games Ltd registered office address is 77 Fulham Palace Road, Foundry Building, Smiths Square, London, England, W6 8AF.

RealSM, Athlos Games Technologies and AFG-Games are exempt from the requirements of the Act relating to the audit of individual accounts in accordance with 479A of the C.A. 2006. Gfinity Plc guarantees all outstanding liabilities to which these subsidiaries are subject at year-end, until they are satisfied in full and guarantee is enforceable against the parent undertaking by any person to whom the subsidiary company is liable in respect of those liabilities.

15. TRADE AND OTHER RECEIVABLES

	Group		Com pany	
	Year to 30 June 2022	Year to 30 June 2021	Year to 30 June 2022	Year to 30 June 2021
	£	£	£	£
Trade receivables	1,495,773	1,313,447	1,445,075	1,272,742
Provision for expected credit loss	(7,370)	(356,480)	(243)	(356,480)
	1,488,403	**956,967**	**1,444,832**	**916,262**
Other receivables	-	151,150	-	151,150
Prepayments and accrued income	478,372	478,734	351,028	450,704
Amounts due in less than one year	**1,966,775**	**1,586,850**	**1,795,860**	**1,518,116**
Amounts due from group undertakings	-	-	82,856	533,480
Other receivables	2,118	-	2,114	-
Total	**1,968,893**	**1,586,850**	**1,880,830**	**2,051,596**

Amounts due from group undertakings of £82,856 are considered to be due in more than one year (2021: £533,480).

The directors consider that the carrying amount of trade and other receivables approximates to their fair value due to the short-term nature of these financial assets.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	Year to 30 June 2022	Year to 30 June 2021	Year to 30 June 2022	Year to 30 June 2021
	£	£	£	£
Cash at bank and in hand	2,141,361	1,375,873	1,361,279	1,329,815
Total	**2,141,361**	**1,375,873**	**1,361,279**	**1,329,815**

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents does not differ from the carrying value.

17. DEFERRED TAX LIABILITIES

Group

	Year to 30 June 2022	Year to 30 June 2021
	£	£
At 1 July	127,835	92,059
Arising on business combination (Note 26)	1,064,308	94,748
Credited to profit or loss	(294,568)	(58,972)
At 30 June	**897,574**	**127,835**

The provision for deferred taxation is made up as follows:

Temporary timing differences on intangible assets	897,574	127,835

Company

	Year to 30 June 2022	Year to 30 June 2021
	£	£
At 1 July	94,748	-
Arising on business combination (Note 26)	1,064,308	115,543
Credited to profit or loss	(263,304)	(20,795)
At 30 June	**895,751**	**94,748**

Temporary timing differences on intangible assets	895,751	94,748

18. ISSUED CAPITAL

The Company has a single class of ordinary share with nominal value of £0.001 each. Movements in the issued share capital of the Company can be summarised as follows:

As at 30 June 2020	725,868,253	725,868
Issued between 6 July 2020 and 04 June 2021 at £0.01	204,644,995	204,645
As at 30 June 2021	**930,513,248**	**930,513**
Issued on 8 September 2021 at £0.010	9,000,000	9,000
Issued on 13 September 2021 at £0.04	82,500,000	82,500
Issued on 13 September 2021 at £0.04	62,500,000	62,500
Issued on 13 September 2021 at £0.010	13,750,000	13,750
Issued on 2 December 2021 at £0.010	1,433,331	1,433
Issued on 18 March 2022 at £0.0125	104,200,000	104,200
Issued on 4 April 2022 at £0.0125	111,800,000	111,800
As at 30 June 2022	**1,315,696,579**	**1,315,697**

19. TRADE AND OTHER PAYABLES

	Group		**Com pany**	
	Year to 30 June 2022	**Year to 30 June 2021**	**Year to 30 June 2022**	**Year to 30 June 2021**
	£	**£**	**£**	**£**
Non-current liabilities				
Other payables (deferred consideration)	840,751	254,986	840,751	254985.9715
Deferred tax liabilities	897,575	-	895,751	-
	1,738,326	**254,986**	**1,736,502**	**254,986**
Current liabilities				
Trade payables	571,389	680,419	533,395	634,299
Other taxation and social security	145,021	65,776	144,300	65,776
Accrued expenditure and deferred revenue	1,033,303	1,105,526	896,299	1,105,526
Amounts owed to group undertakings	-	-	-	-
Other payables	1,293,550	-	977,890	-
	3,043,263	**1,851,720**	**2,551,884**	**1,805,601**
Total	**4,781,589**	**2,106,706**	**4,288,386**	**2,060,587**

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates to their fair value due to their short-term nature.

20. NOTES TO THE CASH FLOW STATEMENT

Group

	Year to 30 June 2022	Year to 30 June 2021
	£	£
Cash flows from operating activities		
Loss for the financial year	(3,980,972)	(3,845,595)
Depreciation of property, plant and equipment	112,993	132,478
Depreciation on right of use assets	-	428,305
Amortisation of intangible fixed assets	1,554,745	492,700
Impairment of intangible fixed assets	76,989	-
Goodwill impairment	-	901,519
Interest Received	(77)	(4)
Interest Payable	-	10,236
Share based payments	495,220	265,583
(Increase) in Inventories	-	-
(Increase)/ decrease in trade and other receivables	(524,205)	(280,359)
Increase in trade and other payables	(110,916)	300,020
Disposal of fixed assets	-	(85)
Gain on disposal of Associate	(45,090)	(459,706)
Corporation tax charge	(294,568)	227,004
Corporation tax (paid)/ R&D credits received	142,162	(221,929)
Cash used by operating activities	(2,573,719)	(2,049,833)
Net cash used by operating activities	**(2,573,719)**	**(2,049,833)**

Company

	30-Jun-22	30-Jun-21
	£	£
Cash flows from operating activities		
Loss for the financial year	(4,198,665)	(5,739,305)
Depreciation of property, plant and equipment	108,787	112,691
Depreciation on Right of Use assets	-	428,305
Amortisation of intangible fixed assets	235,738	111,406
Impairment of intangible fixed assets	76,989	-
Investment impairment	-	2,158,499
Interest Received	(1)	(4)
Interest Payable	-	10,236
Good impairment	664,627	-
Gain on disposal of Associate	(45,090)	(459,706)
Share based payments	495,220	265,583
(Increase)/ decrease in trade and other receivables	28,603	707,362
Increase/ (decrease) in trade and other payables	(556,176)	300,112
Loss on disposal of fixed assets	-	85
Taxation charge	(263,304)	(162,957)
Corporation tax (paid)/ R&D credits received	142,162	227,004
Net Operating Cashflow	(3,311,110)	(2,040,690)
Net cash used by operating activities	(3,311,110)	(2,040,690)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company uses a limited number of financial instruments, comprising cash, short-term deposits, and various items such as trade receivables and payables, which arise directly from operations. The Company does not trade in financial instruments. All of the Company's financial instruments are measured at amortised cost.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Credit risk
The Company's principal financial assets are bank balances and cash, trade and other receivables.
Bank balances and cash are held by banks with high credit ratings assigned by independent credit rating agencies.
Management is of the opinion that cash balances do not represent a significant credit risk.

As the Group does not hold security against trade and other receivables, its credit risk exposure is as follows:

Group		Company	
Year to 30 June 2022	**Year to 30 June 2021**	**Year to 30 June 2022**	**Year to 30 June 2021**
£	**£**	**£**	**£**
1,968,893	1,586,850	1,880,830	2,051,596

The trade receivables balance represents amounts due from third parties. At the balance sheet date, the Group's trade receivables totalled £1,495,773 less a provision of £7,370 (20201: £1,313,447 less a provision of £356,480). The Company's receivables include £82,856 of inter-company funding (2021: £533,480). The Company's trade receivables totalled £1,455,075 less a provision for doubtful debt of £243 (2021: £1,272,742 less a provision for doubtful debt of £356,480).

There are no significant overdue but not impaired trade receivables at the balance sheet date. The Company balance sheet includes inter-company receivables which are not considered to be at risk as the Company retains control over the debtor however it is not anticipated that the Group companies will repay these amounts in the next 12 months.

At the balance sheet date there were no receivables due from any customer representing a concentration of credit risk.

Liquidity risk
All trade and other payables are due for settlement within one year of the balance sheet date. The use of instant access deposits ensures sufficient working capital is available at all times.

Foreign exchange risk
The Company operates in overseas markets by selling directly from the UK, owns an overseas subsidiary and reports in GBP. It is therefore subject to currency exposures on transactions while the Group is subject to currency exposures on consolidation of the overseas subsidiary.

Financial instruments held by the Company and their carrying values were as follows:

Group

	Year to 30 June 2022		**Year to 30 June 2021**	
	USD ($)	**GBP (£)**	**USD ($)**	**GBP (£)**
Trade and other receivables	53,048	1,446,932	57,048	1,168,426
Accrued income	41,018	444,668	39,284	216,805
Cash	98,695	2,060,264	56,248	1,335,739
Trade and other payables	70,212	4,723,896	58,997	2,192,446
Derivative financial instruments	-	-	-	-
Net current assets/ liabilities	**262,973**	**8,675,760**	**211,577**	**4,913,418**

Company

	Year to 30 June 2022		**Year to 30 June 2021**	
	USD ($)	**GBP (£)**	**USD ($)**	**GBP (£)**
Trade and other receivables	896,172	708,454	460,599	587,619
Amounts due from Group Undertakings	-	82,856	747,680	-
Accrued income	-	351,028	-	216,805
Cash	71,416	1,302,597	122,703	1,242,264
Trade and other payables	99,960	4,206,250	-	2,155,334
Derivative financial instruments	-	-	-	-
Net current assets/ liabilities	**1,067,548**	**6,651,185**	**1,330,982**	**4,202,023**

Financial liabilities included in the balance sheet relate to the IAS 39 category of other financial liabilities held at amortised cost.

Assets relate to loans and receivables with the exception of other receivables and prepayments which are classified as non-financial assets.

Fair value estimation
The aggregate fair values of all financial assets and liabilities are consistent with their carrying values due to the relatively short-term maturity of these financial instruments.

As cash is held at floating interest rates, its carrying value approximates to fair value.

Capital management
The Company is funded entirely through shareholders' funds.

If financing is required, the Board will consider whether debt or equity financing is more appropriate and proceed accordingly. The Company is not subject to any externally imposed capital requirements.

22. SHARE BASED PAYMENTS

Equity-settled share option plans

Options

The Company has a share option scheme for employees of the Group.

The tables below summarises the exercise terms of the various options over Ordinary shares of £0.001 each which had been granted, and were still outstanding, as at 30 June 2022.

LTIP options	**Number**	**Weighted average exercise price (£)**
Shares options as at 30 June 2020	61,693,027	0.0486
Shares options granted	49,400,000	0.0409
Share options forfeited	(4,050,001)	0.0100
Share options exercised	(10,866,663)	0.0110
LTIP share options as at 30 June 2021	**96,176,363**	**0.0556**
Shares options as at 30 June 2021	96,176,363	0.0556
Shares options granted	13,300,000	0.0125
Share options forfeited	(14,870,408)	0.0257
Share options exercised	(1,433,331)	0.0100
LTIP share options as at 30 June 2022	**93,172,624**	**0.0483**

Options for non-employee services

Non-market condition shares	**Number**	**Weighted average exercise price (£)**
Shares options as at 30 June 2020	7,500,000	0.20
Shares options granted	0	0
Share options lapsed	(3,500,000)	0.20
Share options as at 30 June 2021	**4,000,000**	**0.20**
Shares options as at 30 June 2021	4,000,000	0.20
Shares options granted	0	0

Share options lapsed	0	0.00
Share options as at 30 June 2022	**4,000,000**	**0.20**

Options vest over periods defined in the respective option agreements and at the discretion of the board of directors. 37,750,016 options vested during the year (2021: 37,750,016).

Of the options outstanding 36,000,000 (2021: 38,000,000) are held by directors. Full details of all options held by directors are contained within the Directors' Remuneration Report.

The principal assumptions input into the Black Scholes model to calculate the value of LTIP share options issued for compliance with IFRS 2 "Share Based Payments" are included below, where applicable.

	Year to 30 June 2022		Year to 30 June 2021	
Weighted average exercise price	£	0.0483	£	0.0556
Average expected life		1.0 years		1.0 years
Expected volatility		234.00%		86.62%
Risk free rate		1.53%		0%
Expected dividend yield		0%		0%

All options were granted at an exercise price equivalent to the market price at the date of grant. The weighted average exercise price of LTIP options outstanding at 30 June 2022 was £0.0496 (2021: £0.0496). The weighted average fair value of options issued during the period was £0.0404 (2021: £0.0404).

The average expected life is based on directors' best estimate taking into account the vesting conditions of the options.

Expected volatility has been calculated with reference to the actual volatility of the share price since over the year prior to the date of grant.

The fair value of the non-employee services options has been based on the fair value of the services provided at the date the services were provided. This equates to a fair value of options issued in the year £nil (2021: £nil).

All options are held in Gfinity plc with no options held over any of the subsidiaries

23. WARRANTS

The Company has granted warrants over Ordinary Shares as outlined in the table below.

	Number	Weighted average exercise price (£)
Warrants		
Warrants as at 30 June 2020	203,695,500	0.010
Warrants granted	0	0.000
Warrants exercised	(183,645,000)	0.010
Warrants lapsed/forfeited	0	0.000
Warrants as at 30 June 2021	**20,050,500**	**0.0100**
Warrants as at 30 June 2021	20,050,500	0.010
Warrants granted	216,000,000	0.013
Warrants exercised	(13,750,000)	0.010
Warrants lapsed/forfeited	(6,300,500)	0.010
Warrants as at 30 June 2022	**216,000,000**	**0.0125**

216,000,000 warrants were granted in the period. The warrants exercised were granted prior to the year ended June 2021 and this figure represented one warrant per ordinary share acquired as part of the fundraise at an exercise price equal to that at which shares were acquired in the fundraise. All warrants are non-transferrable and have an exercise period of 18 months from the date of issue.

The fair value of warrants was calculated according to the Black Scholes model, however, no adjustment has been recognised in respect of the warrants, as directors consider this amount to be immaterial.

24. RELATED PARTY TRANSACTIONS

The Directors Remuneration Report provides details of share options issued to certain directors in the period. In addition to the share options granted in the year, no warrants were exercised by the directors.

Transactions and Interco balances with Group subsidiaries in the year:

CEVO: There was a management recharge from Gfinity to CEVO of £0 (2021: £13,409) and a recharge from CEVO to Gfinity for technology services of £234,959 (2021: £215,274). There were cash advances to and expenses paid on behalf of CEVO by Gfinity of £5,766 (2021: £0). At the balance sheet date the intercompany loan due to Gfinity from CEVO was £567,084 (2021: £533,480).

Real Sport: There were cash advances to and expenses paid on behalf of Real Sport by Gfinity of £5,979 (2021: £5,734). At the balance sheet date the intercompany loan due to Gfinity from Real Sport was £5,979 (2021: £952,675).

Megit: There were cash advances to and expenses paid on behalf of Megit by Gfinity of £109,718 (2021: £0) and a recharge from Megit to Gfinity for services of £32,842 (2021: £0). At the balance sheet date the intercompany loan due to Gfinity from Real Sport was £76,876 (2021: £0).

During the period there was a gain of £459,706 from disposal of Gfinity Esports Australia as mentioned in Note 25.

25. GAIN ON DISPOSAL OF ASSOCIATE

During the six month period to 31 December 2021, the process of winding up Gfinity Esports Australia (PTY), in which Gfinity held a 30% shareholding, was completed. On completion of this process, funds remaining in the business were re-distributed to shareholders. With all amounts invested in this venture having previously been expensed, his resulted in a one-off gain on cessation of the business of £45,090.

26. BUSINESS COMBINATIONS

Megit Ltd

Acquisition of Megit Ltd
On 14 September 2021 Gfinity PLC acquired 100% shares of Megit Ltd, owner of the Stock Informer brand. Stock Informer has built up a market leading position as an authority on hard-to-find items, with a particular focus to products of relevance to gamers. Its proprietary technology enables real-time updates on availability and pricing of items, from which consumers can click through to the relevant retailers to make purchases, allowing the business to drive revenue through affiliate commissions.

Purchase consideration

Initial consideration	**£**
Shares (62,500,000 Ordinary shares at £0.04)	2,500,000
Cash	2,500,000
Acquisition cost	51,250
Total initial consideration	**5,051,250**

Deferred consideration	
Contingent consideration at fair value	1,018,865
Total deferred consideration	**1,018,865**
Total consideration payable	**6,070,115**

Contingent consideration
Contingent consideration is payable based on revenue generated from the acquired entity. The amount payable is calculated at 30% of relevant revenues received in the first, second and third 12 month periods after the acquisition date, up to a maximum of £1,800,000 across the 3 year period. The fair value of the contingent consideration is currently estimated to be £1,018,865 based on forecast revenues at the date of the acquisition.

Net assets acquired
The fair values of the assets and liabilities of the acquired of Megit Ltd as at the date of acquisition are as follows:

	£
Intangible assets: domain authority	3,944,713
Intangible assets: technology	715,741
Deferred tax liability	(1,030,174)
Net identifiable assets acquired	**3,630,280**
Add: Goodwill	2,439,834
Net assets acquired	**6,070,114**

The goodwill that arises from the business combination reflects the profitability of the acquired trade and assets and the enhanced growth prospects for the combined business. None of the goodwill is expected to be deductible for tax purposes.

Siege.gg

Acquisition of Siege.gg
On 8 September 2021 Gfinity PLC acquired trade and assets of Siege.gg, a highly-engaged community for the Rainbow Six Siege game and owner of the leading proprietary statistical dataset in respect of the competitive scene around that game.

Purchase consideration

Initial consideration	**£**
Shares (9,000,000 Ordinary shares at £0.0445)	400,500
Acquisition cost	4,380
Total initial consideration	**404,880**
Deferred consideration	
Contingent consideration at fair value	87,750
Total deferred consideration	**87,750**
Total consideration payable	**492,630**

Contingent consideration
Contingent consideration is payable based on revenue generated from the acquired assets. The amount payable is calculated at 30% of relevant revenues received in the first and second 12 month periods after the acquisition date, up to a maximum of 1,500,000 across the two-year period. The fair value of the contingent consideration is currently estimated to be £87,750 based on forecast revenues at the date of the acquisition.

Net assets acquired

The fair values of the assets and liabilities of the acquired of Megit Ltd as at the date of acquisition are as follows:

	£
Intangible assets: statistical data and domain authority	155,989
Deferred tax liability	(34,134)
Net identifiable assets acquired	**121,855**
Add: Goodwill	370,775
Net assets acquired	**492,630**

The goodwill that arises from the business combination reflects the profitability of the acquired trade and assets and the enhanced growth prospects for the combined business. None of the goodwill is expected to be deductible for tax purposes.