Guild Esports Plc

Annual Report & Financial Statements
for the year ended 30 September 2023

Company Registration No. 12187837 (England and Wales)

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COMPANY INFORMATION

DIRECTORS

Mr Derek Lew
Ms Jasmine Skee
Mr Brian Stockbridge

COMPANY SECRETARY
Mr Paul Kingsley

REGISTERED OFFICE
2 Chance Street,
London, E1 6JT

REGISTERED NUMBER
12187837

BROKERS
Tennyson Securities
65 Petty France
London
SW1H 9EU

INDEPENDENT AUDITOR
PKF Littlejohn LLP
15 Westferry Circus
London, E14 4HD

SHARE REGISTRARS
Computershare
The Pavilions
Bridgewater Road
Bristol
BS99 6ZZ

Chairman's Report

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I am delighted to report that Guild Esports welcomed Jasmine Skee as Chief Executive Officer in January 2023. The team made excellent progress in the year to 30 September 2023, with growing revenues, expanded esports offerings, audience growth and an increasingly international footprint. This was accomplished while dramatically cutting costs and refurbishing the state-of-the-art Sky Guild Gaming Centre, Guild's London headquarters, which was completed with investment from Sky Broadband, in addition to its existing sponsorship commitments. Total revenues rose by 24% to £5.53m (2022: £4.53m) and losses almost halved to £4.5m (2022: £8.75m), reflecting new revenue streams and a re-evaluation of our cost-base to improve margins, allowing us to deliver the same high-quality services for our partners at a lower cost.

Our 2022 revenues were created primarily from two elements: sponsorship and prize money. Of the prize money, the majority was kept by our professional players, with Guild receiving a small proportion. Our sources of revenue for 2023, by contrast, were more diverse with the launch of Guild Studios focused on activation and events. Sponsorship revenues grew by more than 20% and remain a core offering, but we have reduced the costs of servicing contracts and leveraged our sponsorship and inventory rights more effectively, allowing us to improve gross profit margins. Prize money remained consistent year on year whilst reducing in share of revenues by nine percentage points. Importantly, we significantly reduced the fixed costs associated with our esports teams through increasingly focusing on performance related payments.

We kicked off our financial year by launching Guild College, providing a career pathway for young people in the esports industry. Guild Studios was launched in early 2023 providing bespoke, campaign-led solutions for brands and media owners looking to connect with esports, gaming, Gen-Z and Gen-Alpha audiences, providing a new revenue opportunity.

Alongside new revenue streams, Guild had a successful year for sponsorships, partnering with world-class brands across entertainment, sports and technology. Guild signed with four brands: Sky Broadband, Hummel, Fanatec and Secretlab. In the post-period, Guild has signed further commercial partnerships with Subway, naming them Official Quick-Service Restaurant Partner for the UK and esports trading platform eNDX.

With Guild part way through a multi-year partnership with Sky, and after having successfully signed a number of high-profile partnerships in 2023, Guild's existing sponsorship pipeline as at the year end, which is the portion of signed contracts yet to be recognised as revenues over the lifetime of the deals, amounted to £5m, of which £0.2m was price conditional on performance obligations.
Beyond Guild's commercial partnership agreements with several leading international sponsors, the company has also signed business partnerships with innovative technology brands to explore long-term, technology driven revenue opportunities. Our R&D partnership with Gerford AI has seen us complete our initial research and development phase and we are exploring development of a digital product surrounding performance in esports and gaming.

The loss before tax fell significantly to £4.5m from £8.75m in 2022, illustrating the success of our re-organisation programme that supported developing our existing and new revenue streams whilst greatly reducing the overheads and related cash requirements of our business. Administrative expenses fell by £3.51m in 2023 to £7.4m, down from £10.91m in 2022.

Chairman's Report

Our staff numbers have remained broadly unchanged from 2022, despite costs falling significantly, which now stand at 32 compared with 36 last year. We expect this number to grow steadily in 2024, with the potential for international expansion in the growth market of MENA.

In the post-period we were delighted to welcome Paul Kingsley as our new CFO and Company Secretary and Nathan Pillai as Special Advisor to the Board. Nathan has more than two decades' experience as an operator, builder and investor of blue-chip sport and entertainment properties including Manchester United, FC Barcelona Chelsea FC, Williams Racing, World Rally Championship and SailGP. He also has significant exposure to capital markets and high growth territories.

Net cash as at 30 September 2023 amounted to £0.46m compared with £2.73m at the same time in the previous year. As at 29 January 2024 net cash had increased to £0.8m.

Alongside a strong financial performance, our esports teams have continued to perform strongly at the highest levels of professional esports. It has been wonderful to watch them compete, and they have brought pride to the entire company. Next year should be even more exciting as a Guild fan, as Guild has entered Counter-Strike, Street Fighter and sim racing. Our growing competitive presence will increase our footprint in the overall esports ecosystem and create dynamic spectating opportunities for our worldwide online audiences.

Looking ahead, our effective cost-cutting programme and our growing revenues give great cause to be optimistic, with MENA a key target for international expansion. We are exploring not only having our teams compete in the region, but how we can utilise Guild's esports pedigree to generate value for shareholders and our wider stakeholders. Guild College is building direct engagement with our young community and the Guild Academy represents a significant opportunity to provide a clear path-to-pro for young people in the region.

Our new business pipeline is robust and growing, and we are in discussion with a number of new partners and sponsors across a variety of sectors and geographies, with some agreements at advanced stages of discussions.

Guild is well-placed for the next phase of its development and is on track to continue its positive momentum. On behalf of the Board, I would like to thank all of our staff and partners for their excellent work, and our investors for their continued support, as we look to 2024 with confidence.

Mr D Lew
Non-Executive Chairman

Strategic Report

Principal activity

The Company's principal activity is that of a global fan-focussed team organisation and lifestyle brand that fields players in professional gaming competitions under the Guild banner. Our in-house training academy aims to attract and nurture the best esports talent, and our goal is to provide the ultimate entertainment experience alongside a distinctive lifestyle brand authentic to the esports community worldwide. Guild is led by an experienced management team of esports veterans. The Company is headquartered in the UK and its shares are listed on the main market of the London Stock Exchange (ticker: GILD).

Strategy and operational review

While the esports sector is forecast to grow to $1.87 billion by 2028 (source: Statista, 2023), many well-established businesses in the sector have faced pressures. Under its new CEO Jasmine Skee, who started on 1 January 2023, Guild enacted a new strategy to take advantage of the sector's growth more effectively.

Gaming is an immensely popular form of entertainment, and there are expected to be more than 3.8 billion gamers worldwide by 2030 (source: Midia Research, 2023). In 2023 Guild transitioned away from a pure-play esports brand towards a wider gaming focus, which has allowed the Company to better take advantage of the consistent popularity of video games. By continuing to focus on content creation, Guild can continue to grow its audience and appeal to new demographics and is well-placed to take advantage of sector growth.

Despite the strategic refocus towards a more diversified business, our esports strategy remains to establish Guild as one of Europe's top three esports teams organisations and brands, driven by strong esports performances, innovative content and global fans. Good progress was made towards these goals, as Guild's audience grew significantly, Guild's professional players competed across high-level tournaments and revenues continued to rise.

The Company continues to review its contracted revenue, pipeline, cash balances and committed expenditure. Based on the directors' assessment of the Company's cash needs and the availability of financing, the directors consider the Company to be a going concern and anticipate a fundraising may be required during the year ahead. A further update will be provided in due course. New initiatives and business pillars

New initiatives and business pillars

In November 2022, the Company launched Guild College in a four-year partnership with post-16 education provider SCL Education, to provide BTEC Level 2 and Level 3 qualifications in esports. Since Guild College was announced in November 2022, Guild College has filled 21 spaces on the course versus a target capacity of 125, due to a limit on the number of students Guild was allowed to take under the regulations from Pearson.

The Company is exploring international expansion, with a particular focus on the MENA region. The MENA region is a hotspot for gaming, forecasted to have more than 88 million gamers by 2028 *(source: Statista, 2023)*. The Company is utilising its community focused initiatives, including Guild College and the Guild Academy, to establish a clear path-to-pro for young people in the region, as well as establish new ways to engage with the growing gaming audience.

This was followed by the launch of Guild Studios, the Company's creative and production division. Guild Studios allows the Company to monetise its in-house experience in esports to support brand owners on individual campaigns, allowing these brands to authentically engage with their target audiences. This has proven particularly effective in attracting brands not typically associated with esports, as these brands look to diversify their customer bases and appeal to younger audiences. Guild Studios not only widens the Company's offering to brands, but provides a lower barrier to entry, encouraging brands not typically associated with esports to collaborate with Guild to reach new audiences.

Since its creation, Guild Studios has delivered campaigns and activations for high profile brands including Samsung UK, Coca-Cola, Sky Broadband, Subway and blood cancer charity Anthony Nolan. Guild Studios has organised activations and events including assisting in the launch of the new Samsung Galaxy S23, launching the first ever mixed-gender VALORANT tournament and launching an all-female Rocket League tournament.

In the post-period Guild Studios was named the Official Activation Partner of Sky Broadband for their 2024 Gaming Plan. Sky Broadband granted Guild Studios an exclusive mandate to deliver a suite of activation services in the first half of 2024.

Sponsorships and partnerships

The Company signed or renewed six partners in 2023, taking the total complement of its sponsors and partners to eight, including Sky Broadband, Hummel, Subway, Secretlab, Fanatec, Pixels AI and Sky Glass.

On 25 April 2023, the Company won a new three-year sponsorship and merchandising contract with hummel, a well-known sports and lifestyle brand. Leading sportswear brand hummel has been appointed as Guild's first ever Technical Kit Partner, generating sponsorship revenues over a three-year term for Guild, in addition to a double-digit percentage of merchandising sales. The partnership will develop a new esports professional performance line, as well as consumer-focused lifestyle ranges and a dedicated kidswear line, with products potentially to be made available in online stores globally and physical stores in the UK. The Company's new hummel-created professional shirt went on sale worldwide in December 2023 with further product ranges to follow in 2024.

In April it was also announced that Guild and Bitstamp had mutually decided to end their sponsorship following two years of working together. Bitstamp opted not to take the third year of the partnership which was optional and it didn't impact Guild's revenue expectations in the current financial year and all payments for the first two years have been received in full. Following the end of the Company's sponsorship with Bitstamp, Guild adapted its contracting process to have more innovative and collaborative relationships with our sponsors. This has reduced the costs of servicing contracts and allowed us to leverage our inventory and sponsorship rights more effectively moving forward, which contributed to the notable fall in our outgoing expenses.

In June, the Company signed a technical partnership with Fanatec, a leading provider of sim racing equipment and hardware designed for gaming and motorsport. Fanatec provided Guild with six state-of-the-art sim racing rigs, along with related hardware and regular technology upgrades.

The rigs form the centrepiece of the new Guild Simulator Facility, which opened at the Sky Guild Gaming Centre in November 2023. As well as serving as a training facility for Guild's professional esports players, the cutting-edge simulators provide an additional revenue stream to the Company via experiential sim racing packages available for corporates, the wider public and the esports community. In the post-period, Guild launched a memberships scheme for the sim facility, where budding esports professionals receive two monthly sessions at the Sky Guild Gaming Centre as well as telemetric data showing users individualised areas for improvement.

Other new agreements were signed with Secretlab, naming it the Official Gaming Chair Partner of the Sky Guild Gaming Centre, and Sky Glass became Guild's Official Television Partner, providing an increase in revenue compared to the previous deal with Samsung TV.

Our relationships with our key partners have continued to deepen since the deals were announced, as we collaborate with them on creating unique content and experiences to reach our fans and followers, particularly Generation Z ("Gen Z").

The Company is exploring the use of artificial intelligence technologies to appeal to greater audiences, provide more detailed performance feedback to professional players and discover new professional players. Guild partnered with Artificial Intelligence developer Gerford AI in March 2023, and since then completed a comprehensive R&D project that will inform future products and services.

The Company's pipeline of new business from other potential sponsors is growing , benefiting from Guild's position as a leading esports brand with access to a hard-to-reach, young and growing audience.

Update on Strategic Investor

Further to the Company's announcement on 30 October, the strategic investor in Guild was 00Nation AS ("00Nation"). 00Nation went live in the Nordics in late 2021 and has combined media and wider youth culture with esports. Following its success in the wider space, 00Nation established a base in the UK in 2023, and will continue to focus on youth culture while partnering with Guild on professional esports.

00Nation has to date invested £500,000 in Guild comprising the two tranches announced on 30 October 2023, which have been delivered in full, making 00Nation a 13.5% shareholder in Guild. Guild and 00Nation remain in active negotiations concerning the deeper strategic partnership and its accompanying third tranche of investment, which is dependent on the conclusion of negotiations.

Esports teams

During the year Guild's teams have competed at the upper echelons of esports and have maintained a consistently high level of performance. Guild Fortnite professional player Anas won the MrBeast's Extreme Survival Challenge tournament in December 2022 (with official confirmation received in January 2023), securing the entire prize pool of US$1m, and in the post-period Guild player Chico won $200,000 in a global Fortnite tournament. Guild received a percentage of these winnings in line with contractual agreements with its pro-players.

Guild Esports plc – Company Number 12187837

Strategic Report

In 2023 Guild expanded its esports presence into new games, entering Counter-Strike, Street Fighter and sim racing for the first time. Guild's all-female Counter-Strike team, launched in March 2023, is a particular point of pride for the Company, which has a long-term strategic focus on improving opportunities for women in esports and gaming alongside its Official Premier Partner, Sky UK, which is equally committed to promoting viable professional opportunities for women in esports. Guild furthered its Counter-Strike presence with the signing of a men's team in August 2023.

Counter-Strike is among the world's most popular esports, with an audience that is continuing to grow. The Paris Major in March 2023, among Counter-Strike's most competitive tournaments, had an average viewership of 507,688 across its 116 hours of airtime, peaking at 1,528,724 concurrent viewers (source: Esports Charts, 2023).

Guild additionally entered Street Fighter, a long-running fighting game with a growing esports scene. In June 2023, the CR Cup Street Fighter tournament had more than 313,000 concurrent viewers, making it the most popular video game on streaming site Twitch at the time *(source: Dexerto, 2023)*.

Following the Company's partnership with Fanatec, the Company successfully completed a £0.62m fundraise to facilitate investment into the Guild Racing team roster, allowing the Company to field drivers in professional sim racing. Guild entered Formula 4 Esports, a sim racing category fully sanctioned by Motorsport UK, the governing body for motorsport in the United Kingdom, in July 2023. Sim racing has attracted interest from major players in traditional motorsport including Aston Martin Aramco Cognizant, Red Bull Racing and Williams Racing.

Guild now competes across seven esports, which are:

- Counter-Strike, with an all-female team and an open team.
- EA FC 24 (the continuation of the 'FIFA' association football game series).
- Street Fighter
- Sim Racing
- Fortnite
- Rocket League
- VALORANT

Guild released its VALORANT teams on 30 November 2023 and currently does not have an active roster. VALORANT remains an important part of Guild's long-term esports strategy and the Company has commenced a search for the teams' replacement. As at 17 January 2024, the Company's professional player roster was 22 compared with 17 in January 2023.

Guild Academy

Guild's Academy, since its transition to an in-person only experience in early 2023, has moved from strength to strength, providing world-class esports facilities and coaching to Guild's existing and potential esports players.

Guild has adapted its esports strategy to focus on Academy players and building up owned talent, in contrast to the previous approach of purchasing players already competing at a high level. This has proven effective, as Guild has continued to perform at a high level but has reduced expenditure and opened the possibility of improving players at the Academy and then selling them on for profit. The Academy is beginning to achieve its primary purpose of developing future professional players and attracting new fans.

Guild has received interest in its Academy from overseas jurisdictions and is actively exploring how the Academy system can be rolled out internationally. Guild is initially focusing on MENA but may expand to further jurisdictions in 2024.

Strengthened leadership team

Jasmine Skee started as CEO on 1 January 2023, and throughout 2023 Ms Skee has taken steps to strengthen Guild's executive team. She recruited Luke Jones as Vice President of Commercial, Esports and Gaming, Nick Westwood as Senior Vice President of Creative and Strategy, and Matthew "Charlie" Charles as Director of Operations.

Stephen Duval joined as Special Advisor to the Board in July 2023, bringing 25 years of experience in the sports, media and entertainment sectors in Europe and the US, where he has deployed and advised on deals with an aggregate value in excess of $5 billion. In the post-period, Nathan Pillai joined as an additional Special Advisor to the Board, bringing more than two decades' experience as an operator, builder and investor of blue-chip sport and entertainment properties including Manchester United, FC Barcelona and Chelsea FC.

Guild's management team demonstrated their commitment to Guild's long-term strategy by participating in a fundraise in June 2023. Guild's directors subscribed for a total of £95,000 of new ordinary shares, with subscriptions made by CEO Jasmine Skee, Non-Executive Chairman Derek Lew, and Non-Executive Directors Brian Stockbridge and Jocelin Caldwell.

In addition to this, members of the Company's senior leadership team comprising Director of Operations Matthew "Charlie" Charles, Vice President of Commercial, Esports and Gaming Luke Jones and Senior Vice President of Creative and Strategy Nick Westwood made a combined contribution of £24,000. In the post-period, Guild's management made an additional contribution of £30,000, with contributions from Jasmine Skee, CEO; Nick Westwood, SVP of Creative and Strategy; Luke Jones, VP of Commercial, Esports and Gaming; Matthew Charles, Director of Operations; and Kristina Frost, Director of Client Services.

Audience

Guild's owned audience stands at 2.8m followers. This is an aggregate of Guild's Facebook, Instagram, TikTok, Twitch, Twitter and YouTube channels, as well as the Guild Eagles, Guild's Counter-Strike team, and Guild owned accounts. The owned accounts include 'Fortnite24_365' a Spanish-language TikTok channel with 1.4 million followers, of which Guild produces the content and retains full editorial control.

Guild's significant audience growth on TikTok specifically is in-line with the Company's long-term strategy to appeal specifically to the Gen Z and Gen Alpha demographics. 80% of TikTok users are under the age of 44 and 60% are 16-24 *(source: Wallaroo Media, 2024)*. Guild's new TikTok channel has expanded the Company's international audience and Guild is evaluating how best to generate further revenue from this new audience to maximise value for shareholders.

All content distributed on Guild's social media channels is created in-house by Guild Studios. Guild's number of followers across its owned and operated channels increased by 1.7m in H2 2023 and remains on an upward trajectory.

Alongside audience growth, audience engagement has increased significantly. Guild's owned channels received 145m impressions in the calendar year 2023, compared with 64m in 2022. The average daily users engaging with Guild's channels is 31,000 in 2023, compared with 4,500 in 2022.

Alongside the growth of Guild's owned channels, Guild Studios has allowed the Company to appeal to greater audiences through Studios' campaign-led approach. Guild's 'No Room for Abuse' campaign with Sky Broadband received 69m impressions and its 'Sweat Room' campaign received 1.4m impressions.

The notable growth in impressions both generally and on a campaign-led basis indicates that Guild's audience is increasingly engaged with its content compared with 2022. As such, Guild's strategy to become a gaming-led media brand is bearing fruit.

Outlook

Guild made a good start to the new financial year and current trading remains in line with management expectations. Guild's new revenue streams started to bear fruit in 2023, which has made the Company more robust and more consistently cash generative. Guild's management is looking to expand Guild's international footprint in 2024, beginning with MENA, as well as expand into more sectors including Betting, Motorsport and Counter-Strike brands.

Our pipeline of potential new sponsorship deals also remains robust and several significant deals are under active negotiations.

Following a significant rationalisation programme, the Company's annual operating costs have been reduced further year-on-year by approximately £3.5m, thereby significantly reducing the ongoing cash requirements of the business. As a result, the Board looks to the future with confidence.

Principal risks and uncertainties

The Board considers the principal risks of the Company to revolve around the continued growth of its fan base and its ability to attract sponsors. The Company mitigates the risk of low fan accumulation through fielding winning teams in its professional esports league and diversification of content to appeal to a broad market. The Company engages a wide endemic audience by operating in multiple esports; working with influencers and content creators; and maintaining an active presence on several social media platforms. Guild social posts made through David Beckham's channels provide a mass market appeal and contribute significantly to the social reach of the Company. The Company mitigates the risk of not attracting sponsors through forming a partnerships team consisting of experienced professionals and sector specialists, led by the Chief Executive Officer. The team has an in-depth understanding of the demographic which sponsors want to reach, and the market they intend to grow in. Guild attracts top talent in target regions, and compounds this with the social reach of David Beckham to create opportunities and meet sponsors' needs.

The Company operates in a changing environment and is subject to a number of risk factors. The Board considers the following to be of particular relevance, but this is by no means an exhaustive list, as there may be other risk factors not currently known.

<u>Risks relating to the esports industry</u>

The rapid growth of the esports sector is slowing

The global esports sector grew by 17.5% between 2021 and 2022, reaching USD1,421.89 million in 2022. However the latest forecasts suggest that the cumulative impacts of COVID-19, the Russia-Ukraine war and high inflation is likely to slow that growth to a CAGR of 8.31% to 2027. Whilst the Directors believe the esports market will continue to grow with the announcement of the Esports World Cup in Riyadh as well as a billion dollar investment into Qiddiya to build world class esports and gaming facilities, there is no guarantee that it will do so, or will do so at a level that will enable the Company to achieve its strategic objectives. That may result in revenues across the sector stagnating or reducing and the sponsorship market becoming even more competitive, both of which would have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations. Guilds move into MENA is aligned with where esports revenue is generated.

The sector is largely unregulated

There is no centralised body for regulation in esports. In the UK the British Esports Federation was established in 2016, in part to improve standards in the industry. Whilst Guild has a good relationship with the British Esports Federation, and has built its business to comply with and exceed best practice. Guild continues to foster close relationships with game publishers, tournament organisers and British Esports Federation in order to be able to react quickly to any regulatory changes as well as offer thought leadership in this area. We have also started to see the Federations around the world work more closely together to ensure there are consistent standards.

<u>Risks relating to the Company's Business strategy</u>

The Company is a relatively new entity with limited operating history, low historical revenues and there is only a limited basis on which to evaluate the Company's ability to build a successful esports business

The Company was incorporated on 3 September 2019 and commenced substantive trading after IPO in October 2020. The Company lacks an established operating history under current management, which took over in early 2023, and therefore investors have a limited basis on which to evaluate the Company's ability to achieve its objective of growing and developing a successful business.

The Company is a small business which will compete with established competitors who may have more resources and a more recognisable brand presence in the market. The Directors believe that they have the experience and connections to ensure that the business is able to compete with established rivals and take advantage of market opportunities they have identified.

The Company may be unable to continue to recruit esports players of sufficient standing and talent

The Company's brand is in part built around the success and profile of esports players. The success of the Company depends on its ability to recruit esports players who have either the potential to be successful, star players or are already successful, star players. To date Guild however has won 10 World Cups in just three years so it continues to attract good talent. The Directors believe that Guild's professional approach to team management and player support, and growing reputation in the sector will allow the Company to compete for talent in a holistic manner, rather than solely based on financial compensation.

The Company may be unable to continue to recruit ambassadors of sufficiently high profile

The Company's brand is in part built around the success and profile of key ambassador David Beckham. The success of the Company depends in part on its ability to attract and retain relevant ambassadors with the required profile and fanbase, in order to promote the Company and its mission. With Guild's influencer agreement with David Beckham due to expire in May 2025, the Company may want to renegotiate or replace a key ambassador that actively participates in sponsor activations, however, the Company is growing the number of sponsors and partners without a reliance on key ambassadors, and this represents an opportunity for additional revenues.

Players may not perform

Whilst the Company aims to sign the best esports players available to it (given its resources), and aims to provide best in class training and support facilities, there is no guarantee that such recruitment and development will translate into tournament success. If Guild does not perform to a reasonably high level in tournaments, it will not generate the publicity to grow further its brand and following, and to attract additional sponsors, and the Company's revenue from prize money and sponsors will be lower than expected, making future or further recruitment more difficult. Guild however structures its contracts so performance of its players is incorporated.

The Company may not be able to attract sponsors

The global sponsorship market is very competitive, both within the esports sector and generally, with individuals, teams and tournaments all seeking sponsorship income. The attractiveness of esports to advertising partners and brands may reduce in the future, particularly if new developments provide a more direct or engaging way for such parties to reach and capture the attention of the demographic currently accessed through esports. Guild Studios was launched to support brands that want to try esports and gaming in their campaigns before committing to sponsorship. This is proving to be beneficial to Guild as they attract new brands and have created a new revenue stream.

League entry fees may be prohibitive

Increasingly esports leagues are charging entry fees to teams wishing to participate in leagues. These entry fees can be very substantial (for example, in 2018 the League of Legends Championship Series required teams to pay a US$10,000,000 fee for entry, with the sale of a slot in 2019 reaching a record fee of US$33,000,000) and may prove prohibitive to the Company especially if its revenue forecasts do not meet the Directors' expectations. If the Company cannot afford to pay the requisite entry fees, it will not be able to compete in certain leagues meaning that it will not have the opportunity of winning prize money and that the Company may be less attractive in general to players, fans and sponsors as a consequence. The Company mitigates against this risk by following a strategy that excludes games that currently charge high fees to compete and focuses on the games that will be part of the Esports World Cup in Riyadh. Furthermore, we are seeing the Guild brand and eSports teams able to secure fees for participation in some competitions.

The Company may be harmed by the adverse actions of players

The Company has and is expecting to recruit esports players that either have, or will develop, an online profile that will prove attractive to fans, sponsors and esports viewers. As a player's profile increases, there is a greater risk that the player's adverse behaviour could have a negative effect on the Company, whether by damage to its reputation and good standing and/or by way of the termination of contracts for breach. Whilst the Company will put in place policies emphasising the need for esports players to be positive brand ambassadors, the Company will not be able to control its players at all times. As can be seen commonly in sport, comments, rumours and suggestions regarding a player by other players, coaches and industry figures can have an adverse effect on the

Company's profile. The Company values actively seek to promote the right behaviours and mitigate these risks.

Player and student safeguarding

Amongst the Company's professional and academy player rosters are some individuals who are under 18 years of age. Further, the Company commenced a BTEC education programme from September 2023 which is aimed at 16- and 17-year-olds. As greater numbers of under-18s are welcomed into Guild's HQ, there is a greater risk that safeguarding issues may arise which, along with negative consequences for the individuals involved, could have a negative effect on the Company through damage to its reputation and good standing. The Company has put in place robust safeguarding policies and procedures and will keep these under regular review and is the only esports organisation who has a full time Head of Safeguarding.

Preventing access by minors is difficult

Some of the esports in which the Company will participate carry PEGI (Pan European Game Information) ratings of 16 or 18. A game is rated "16" once the depiction of violence (or sexual activity) reaches a stage that looks the same as would be expected in real life. The use of bad language in games with a PEGI 16 rating can be more extreme, while games of chance, and the use of tobacco, alcohol or illegal drugs can also be present. A game is rated "18" when the level of violence reaches a stage where it becomes a depiction of gross violence, apparently motiveless killing, or violence towards defenceless characters. The glamorisation of the use of illegal drugs and explicit sexual activity will also fall into this age category.

Even when applying strict parental and other controls, restricting internet access to age appropriate games is difficult. If minors gain access to coverage of Guild participating in leagues or games with age classifications above that of the minor, the Company may receive adverse publicity which would make it less attractive to sponsors and players and which could also result in the termination of sponsor and/or player contracts.

Intellectual property offices or third parties may object to the registration of the Company's brand name

The Company has and will continue to incur time and expense in establishing and refining its brand and its associated range of branded products. The Company has obtained trademark registrations in the UK for the word marks "GUILD" and "GUILD ESPORTS" and logo marks "G" and "GUILD" (in stylised form) for esports team-related services which were approved with renewal date of June 2030. The Company has applied for trademark registrations in the EU for the word mark "GUILD" and in the US for the logo mark "GUILD" (in stylised form) which are currently pending. The EU mark has been challenged by a third party in Estonia, Guild Atelier OU, which has also filed for "GUILD" in Class 35, and which the Company has lodged opposition. Guild Atelier has filed an opposition, which has a cooling off period expiring March 24 and a deadline of May 24 to substantiate their opposition. No opposition has been received for the US application.

With regard to any further applications (including in the EU, or other territories that may be of interest, such as the USA), trademark registries have the power to object to registration of a mark on various grounds. Given the meaning of the name "GUILD", there is a risk that an attempt to register the mark in connection with esports team-related services could be met with objections by registries on the basis that the mark is descriptive or lacks distinctiveness. The acceptance of the applications by the UK registry means that it did not perceive any problem with descriptiveness or non-distinctiveness with the applications as filed. Any difficulty and/or inability to obtain trademark registrations on this basis may not prevent the Company continuing to use the brand but could be a disadvantage to the long term value of the brand. However, it may be possible to overcome such issues through ensuring that trademark specifications are drafted appropriately and by making representations to the registries.

The Company may be required to defend third party claims

Firstly, in the process of the Company applying to register its brand name as a trademark, third parties wishing to oppose the registration of the mark may commence proceedings with the relevant trademark registry, as has been done for the Company's EU registration. Preliminary trademark searches were carried out, which displayed a number of existing registered trademarks in the UK and the EU that include the word "GUILD" for identical and/or similar goods and services to those proposed by the Company (including computer software and electronic games). There is a risk that the proprietors of such earlier marks may oppose the Company's application of the GUILD mark. However, this is not guaranteed and may depend on a number of factors such as whether the third party has the resources to oppose the mark. There is also no guarantee that an opposition for registration of the mark would be successful, and the Company would seek to defend itself against any such opposition proceedings. If a third party was successful in opposing registration of the mark, this could result in a disadvantage to the long term value of the brand, in particular as the Company would have fewer rights in terms of defending itself from third party infringement of the brand. This may also result in an award of the opponent's costs being payable by the Company.

Secondly, there is also a risk that the Company's use of the brand and intellectual property ("Company IP") may result in legal action being pursued against the Company for intellectual property infringement by third party proprietors of existing registered or unregistered rights in the Company IP. Such a claim could be made whether or not the Company has successfully registered its intellectual property rights.

Notably, if a third party were successful in claiming that the use of the brand name "GUILD" infringed its intellectual property rights, this could result in the Company being ordered to cease all use of the mark in trade and having to rebrand its entire operation, which may require significant costs and resources. Should the Company be found to have infringed the intellectual property rights of a third party, the Company may also be liable to the third party for damages and their legal fees and expenses. Any claims could therefore have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations. Again, the risks of a particular claim would be highly fact-specific, and depend upon the resources, belligerence and trading position of any claimant.

The Company's headquarters may be materially damaged

The Company's headquarters, the Sky Guild Gaming Centre in Shoreditch, East London is both a revenue generating and partner activation space. If the building or contents are significantly damaged that may adversely impact the Company's revenues from public-facing activities such as events and Sim Racing hire, as well as impinge upon its ability to fulfil its partner obligations. Such restriction in access or availability would have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations, however, the Company continues to evaluate the appropriate level of insurance as protection.

The Company may be required to take action against a third party

There is a risk that third parties may seek to copy the Company's brand and produce unlicensed, counterfeit goods and that the Company is unable to protect its intellectual property. Such goods may damage the Company's brand and goodwill if they are of poorer quality than the Company's licensed products as well as having a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

The Company may identify such third parties who have infringed its intellectual property which may result in litigation between the parties. Such litigation would necessarily require the Company to devote time and attention to pursuing the matter and defending its intellectual property and would likely require the Company to incur costs in doing so (which can often be substantial). If unsuccessful, the Company could also be liable to the third party for their legal fees and expenses.

The Company, its players or a supplier on which it relies, may suffer a security breach

Security breaches, computer malware and computer hacking attacks have become more prevalent. Many companies have been the targets of such attacks. Any security breach caused by hacking which involves efforts to gain unauthorised access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses could harm the business. Though it is difficult to determine what harm may directly result from any specific interruption or breach, any failure to maintain performance, reliability, security and availability of network infrastructure to the satisfaction of fans may harm the Company reputation and its ability to retain existing fans and attract new fans.

The Company's ability to generate revenue may be adversely affected as a result of deteriorating economic conditions

Due to a number of factors, including but not restricted to high inflation, supply chain issues as a result of Covid-19, Brexit and war in Ukraine, high interest rates and slow wage growth, the outlook for the UK economy is deteriorating. As a result, companies are cutting their marketing budgets which may have a knock-on impact on the Company's ability to secure sponsors and clients for its Guild Studios and Events businesses. These factors are also seen in a number of world economies which may impact the Company's success in proposed overseas expansion markets.

The Company's operations may be materially and adversely affected as a result of constitutional change in the United Kingdom

Subsequent to the United Kingdom exiting the European Union on 31 January 2020, there have been several renegotiations of the terms of the new relationship, including on trade. The most recent of these was agreed in February 2023, but there continue to be calls for changes from various stakeholders within the UK.

There continue to be significant uncertainties as to what the long term impact will be on the fiscal, monetary and regulatory landscape in the UK, including among other things, the UK's financial regulation, the conduct of cross-border business and export and import tariffs. There is also uncertainty in relation to how, when and to what extent these developments will impact the economy in the UK, the future growth of its various industries, on levels of investor activity, confidence on market performance and on exchange rates. There is also a risk that the vote by the United Kingdom to leave could result in other member states reconsidering their respective memberships in the European Union. Although it is not possible to fully predict the effects of the exit of the United Kingdom from the European Union, any of these risks, taken singularly or in the aggregate, could have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations.

Promotion of the Company for the benefit of the members as a whole

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

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company’s relationships with suppliers, customers and others, and
- Consider the impact of the Company’s operations on the community and the environment.

The Company operates as an esports organisation, within a fast-growing and developing environment, and at times may be dependent on fund-raising for continued operation and/or growth. The nature of the business is understood by the Company’s members, employees and suppliers, and the Directors are transparent about the cash position and funding requirements.

The Company’s employees are fundamental to the success of the business. The directors understand that it is critical to engage with and understand their views and to ensure that all employees’ interests are considered. To strengthen employee engagement, the Directors promote and encourage all employees to raise any concerns or suggestions with senior management without hesitation. The Company fields anonymous employee satisfaction surveys on a quarterly basis and shares results and trends with all employees.

Stakeholder engagement is fundamental to the Company’s strategy. The Company makes extensive use of Social Media to provide Stakeholders with information on the Company’s activities

The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during the period:

Significant events / decisions	**Key s172 matter(s) affected**	**Actions and Consequences**
Signing sponsorship deals with global partners	Shareholders and Business Relationships	Increasing the brand awareness of the Company on a global scale
Investment into operational infrastructure, securing talent for creation of content and entering into new competitive game titles	Shareholders and Business Relationships	To ensure the Company has the ‘platform’ that will ensure it can support

to grow an audience and generate media value for current and future partners		expansion on a global scale
Commencement of the Guild College BTEC programme in September 2023	Community	Engaging with students to provide skills and support their career development.

Directors' Report

General information

The Directors present the Annual Report and audited financial statements for the year ended 30 September 2023.

The Company's Ordinary Shares were admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities on 2 October 2020. The Company is registered in England and Wales.

Dividends

The directors do not propose a dividend in respect of the year ended 30 September 2023 (2022: nil).

Directors

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

Attendance at Board meetings during the year ended 30 September 2023 were as follows:

Member	Meetings attended
D Lew	7 of 7
B Stockbridge	7 of 7
M Edwards (resigned 17 November 2022)	0 of 7
J Caldwell (appointed 17 November 2022)	7 of 7
K Hourd (resigned 1 January 2023)	0 of 7
J Skee (appointed 1 January 2023)	7 of 7

The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate and monitor the corporate governance values of the Company, and will have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business. The Board will take appropriate steps to ensure that the Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules and (notwithstanding that they only apply to companies with a Premium Listing) the Premium Listing Principles as set out in Chapter 7 of the Listing Rules.

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. It meets when required, and has a schedule of matters specifically reserved to it for decision. Management supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from independent professionals at the Company's expense. Training is available for new Directors and other Directors as necessary. All Directors are subject to re-election annually and, on appointment, at the first AGM after appointment.

Communications with shareholders

Communications with shareholders are given a high priority. In addition to the publication of an annual report and an interim report, there is regular dialogue with shareholders and analysts. The Annual General Meeting is viewed as a forum for communicating with shareholders, particularly private investors. Shareholders may question the Chairman and other members of the Board at the Annual General Meeting. All published information for shareholders is also available on the Company website, including annual and interim reports, circulars, announcements and significant shareholdings.

Accountability and Audit

The Board presents a balanced and understandable assessment of the Company's position and prospects in all interim and price sensitive reports to regulators as well as in the information required to be presented by statutory requirements.

The Company's audit committee is comprised of Brian Stockbridge (as chair) and Derek Lew. The audit committee met twice during the reporting period to consider the integrity of the financial statements of the Company, including its annual and interim accounts; the effectiveness of the Company's internal controls and risk management systems; auditor reports; and terms of appointment and remuneration for the auditor.

Internal control

The Directors acknowledge they are responsible for the Company's systems of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Company failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

Political donations

The Company did not make any political donations or expenditure (2022: £0)

Directors and directors' interests

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

Mr Derek Lew

Ms Jocelin Caldwell (appointed 17 November 2022 and resigned 30 November 2023)

Ms Jasmine Skee (appointed 1 January 2023)

Mr Brian Stockbridge

Mr K Hourd (resigned 1 January 2023)

Mr Michael Edwards (resigned 17 November 2022)

Directors' shareholdings

	Ordinary Shares	Percentage of issued share capital 30 September 2023 %
Derek Lew	14,133,333	2.27
Brian Stockbridge	1,666,667	0.27
Jocelin Caldwell	833,333	0.13
Jasmine Skee	3,333,333	0.54
	19,966,666	3.21

Directors' warrant holdings

	Warrants over ordinary shares at 30 September 2023
Derek Lew	7,500,000
Brian Stockbridge	7,500,000
Jocelin Caldwell	10,250,000
Jasmine Skee	22,000,000
	47,250,000

No Director held warrants in the Company as at 30 September 2022.

Going concern

The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to meet its obligations over the next 12 months. The Directors believe, given the progress the Company has made in the past 12 months, including the cost rationalisation actions taken by the new management team, that there is a well defined path to profitability. As per note 2.2, the Directors have stated that there is a material uncertainty on the Company's ability to continue as a going concern. However, following previous successful fundraising, the Directors are confident that sufficient additional capital will be raised to ensure adequate funds are available to the Company to execute on its strategy The Directors therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

Financial Risk Management

The Company has a simple capital structure and its principal financial asset is cash. The Company has a limited number of transactions with Europe, the United States and Canada and is therefore subject to market risk by way of being exposed to variations in foreign exchange rates. The Company has little exposure to credit risk due to holding its cash reserves with credible institutions. The Company may also be exposed to liquidity and capital risk, due to the nature of operations and the requirements for operating an esports organisation. The Company manage these risks through maintenance of sufficient working capital.

Substantial Shareholdings

At 19 January 2024, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company:

	Number of Shares	Percentage Holding %
00Nation AS	100,000,000	13.54
Hargreaves Lansdown, stockbrokers (EO)	83,102,061	11.26
Toro Consulting Ltd	49,350,000	6.68
Interactive Investor (EO)	33,598,747	4.55
HSDL, stockbrokers (EO)	30,980,063	4.20
Mirabaud Bank, Geneva (PB)	26,894,846	3.64
Mr T Orange	26,300,000	3.56
Mr D Beckham	24,573,529	3.33
Mr J Rice-Jones	23,315,167	3.16

Controlling shareholder

The Company does not have a controlling shareholder.

Greenhouse gas emissions

As at the year end, the Directors, staff and esports teams operate both from their respective homes, with little to no travel, and from Guild HQ in Shoreditch, London to which Directors, staff and esports teams travel using public transport wherever possible. The Company limits international travel, preferring to use video conferencing technology where possible. Given its size, there is limited scope for the Company to have a major impact on environmental matters, however the Directors are mindful of their responsibilities in this regard and strive to seek opportunities where improvements may be made.

Climate-related Financial Disclosures

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations serve as a global foundation for effective reporting on the operational and financial implications of the interrelationship between climate change and business, and set out recommended disclosures structured under four core elements:

- Governance – The organisation's governance around climate-related risks and opportunities;
- Strategy – The actual and potential impacts of climate-related risks and opportunities for an organisation's businesses, strategy, and financial planning;
- Risk Management – The processes used by the organisation to identify, assess, and manage climate-related risks; and
- Metrics and Targets – The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

These are supported by recommended disclosures that build on the framework with information intended to help investors and others understand how reporting companies assess climate-related risks and opportunities.

The table below shows our current progress against the TCFD recommendations.

TCFD Pillar	Recommended Disclosure	Guild Esports Summary
Governance	- Board's oversight of climate-related risks and opportunities - Management's role in assessing and managing climate-related risks and opportunities	At its current stage of development, the Company's operations are at a small scale and its environmental impact is also small scale. However, the Board recognises its responsibility to protect the environment, particularly as the Company grows. The Board has oversight of climate-related matters, including risks and opportunities. The Board is supported by the Audit Committee, which is responsible for keeping under review the adequacy and effectiveness of the Group's internal control and risk management systems, including those related to climate.
Strategy	- Climate-related risks and opportunities identification - Climate-related risks and opportunities impacts - Resilience of the organisation's strategy	The Company is committed to a healthier net zero planet, and considers this in development of its long-term strategy. The Board is committed to strive for environmental sustainability, ensuring that the Company's facilities optimise energy usage, minimise waste and protect nature and people. The Company will continue to identify and consider ESG risks

		and opportunities in development of its strategy.
Risk Management	- Identifying and assessing climate-related risks - Managing climate-related risks - Integration into overall risk management	As a small company, Guild Esports is able to embed climate-related risk management into its overall internal control environment from an early stage, thus hugely reducing transition risk. As the Company grows, the identification, assessment and management of climate-related risks and opportunities will be actively discussed during Board and management meetings.
Metrics and Targets	- Climate-related metrics - Scope 1, Scope 2 and Scope 3 emissions - Climate-related targets	As the Company grows, it will continue to monitor its energy use. The Company will seek to collect, structure, and effectively disclose related performance date for the material climate-related risks and opportunities identified where relevant. The Board will also look to adopt SASB recommended disclosures in the next 2-3 years. The Company already minimises business travel, and therefore energy use and emissions, through the use of internet based communications tools. It has a policy of switching off devices when not in use.

Electricity consumption at the HQ in Shoreditch for the year ending 30 September 2023 was 88,292kWh.

	2023
UK energy use kWh (1)	88,292
Associated Greenhouse gas emissions Tonnes CO2 equivalent (2)	18.28
Emissions per turnover	0.016 kWh / £
Emissions per employee	2,759 kWh / person
Emissions per surface area	5.52 kWh / Sq feet

(1) UK energy covers electricity usage at the company HQ in Shoreditch
(2) Associated Greenhouse gases have been calculated using the 2023 kg CO2e per unit amount - 0.20707

The company does not have any gas usage and does not own or rent any vehicles. There were no fugitive emissions from refrigerant leaks or maintenance in the year.

The significant electricity consumption of the company is mainly driven by the heating and air conditioning system. The company is looking at various insulation improvements to the building in order to reduce the levels of electricity consumed.

Equal Opportunity

The Company promotes a policy for the creation of equal and ethnically diverse employment opportunities including with respect to gender. The Company promotes and encourages employee involvement wherever practical as it recognises employees as a valuable asset and is one of the key contributions to the Company's success.

Provision of information to auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditors, PKF Littlejohn LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

Directors' Responsibility Statement

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 period. Under that law the directors have prepared the Company financial statements in accordance with UK-adopted international accounting standards. 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 and loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a 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 maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4 (Disclosure and Transparency Rules)

Each of the directors confirm to the best of their knowledge:

- The Company financial statements have been prepared in accordance with UK-adopted international accounting standards and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- The Annual report includes a fair review of the development and performance of the business and financial position of the Company together with a description of the principal risks and uncertainties that it faces.

This report was approved by the board on 31 January 2024 and signed on its behalf by:

DocuSigned by:

Jasmine Skee

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Ms J Skee

Chief Executive Officer

Guild Esports plc – Company Number 12187837

Remuneration Report

This remuneration report sets out the Company's policy on the remuneration of executive and non-executive directors together with details of Directors' remuneration packages and service contracts for the year ended 30 September 2023.

The Company's remuneration committee is comprised of Derek Lew (as committee chair) and Jocelin Caldwell. The remuneration committee is to meet at least twice a year and has as its remit the determination and review of, among others, the remuneration of executives on the Board and any share incentive plans of the Company.

Total remuneration for Directors and employees for the year ending 2023 was £1.6m (2022: £1.7m) Please refer to note 6 below.

Remuneration Policy

In setting the policy, the Board has taken the following into account:

- The need to attract, retain and motivate individuals of a calibre who will ensure successful leadership and management of the Company;
- The Company's general aim of seeking to reward all employees fairly according to the nature of their role and their performance
- Remuneration packages offered by similar companies within the same sector;
- The need to align the interests of shareholders as a whole with the long-term growth of the Company; and
- The need to be flexible and adjust with operational changes throughout the term of this policy.

Future Policy Table

Element	Purpose	Policy	Operation	Opportunity & Performance Conditions
Executive Directors				
Base salary	To award for services provided	Based on recommendations of the remuneration committee, with comparison with other companies of a similar size & sector	Paid monthly & reviewable annually	N/A
Pension	N/A	Statutory, where appropriate	N/A	N/A
Benefits	N/A	Health and dental plans	N/A	N/A
Annual Bonus	N/A	Based on recommendations of the remuneration committee in relation to the contributions of the Company	N/A	N/A
Share options	N/A	Based on recommendations of the remuneration committee as part of a management incentive, where appropriate	N/A	N/A

Non-Executive Directors				
Base salary	To award for services provided	The Board as a whole determines the remuneration of Non-exec Directors based on the recommendations of the Chairman & Comparison with other companies of a similar size & sector	Paid monthly & reviewable annually	N/A
Pension	N/A	Statutory where appropriate	N/A	N/A
Benefits	N/A	None provided	N/A	N/A
Annual Bonus	N/A	No element of remuneration for performance	N/A	N/A
Share options	N/A	Based on recommendations of the remuneration committee as part of a management incentive, where appropriate	N/A	N/A

Notes to the future policy table

The Directors shall also be paid by the Company all travelling, hotel and other expenses as they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

Directors Remuneration (audited)

Details of Directors' remuneration during the year ended 30 September 2023 is as follows:

Name	**Base Salary (£)**	**Benefits (£)**	**Pension Contribution (£)**	**Other (£)**	**Total (£)**
D Lew	60,000	-	-	-	60,000
J Caldwell	36,750	-	-	-	36,750
J Skee	135,000	1,500	550	-	137,050
B Stockbridge	42,000	-	1,073	-	43,073
K Hourd	37,500	-	-	12,500	50,000
M Edwards	3,500	-	-	-	3,500
Total	314,750	1,500	1,623	12,500	330,373

Terms of appointment

The services of the Directors, provided under the terms of agreement with the Company are dated as follows:

Director	**Year of appointment**	**Number of years completed**	**Date of current engagement letter**
J Caldwell	2022	1	17 November 2022
J Skee	2023	1	1 January 2023

D Lew	2019	4	3 December 2019
B Stockbridge	2022	1	31 March 2022

Consideration of shareholder views

The Board will consider shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

Policy for new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re- aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Board may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Historical Share Price Performance Comparison

The table below compares the share price performance (based on a notional investment of £100) of Guild Esports plc against the FTSE Small Cap index for the period 2 October 2020 to 30 September 2023. The FTSE Small Cap index has been chosen to provide a wider market comparator containing companies of an appropriate size.

	FTSE Small Cap	Company
30 September 2023	£120.52	£7.19
30 September 2022	£116.16	£26.88
30 September 2021	£145.96	£63.75
2 October 2020	£100.00	£100.00

Guild Esports was listed on 2 October 2020 so there is no historical share price data prior to this date.

Corporate Governance Statement

The Company intends to comply with the provisions of the Corporate Governance Code published by the Quoted Companies Alliance (QCA Corporate Governance Code) insofar as is appropriate having regard to the size and nature of the Company and the size and composition of the Board.

The Company's Standard Listing means that it is also not required to comply with those provisions of the Listing Rules which only apply to companies on the Premium List. The FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements in a prospectus are themselves misleading, false or deceptive.

The QCA has identified 10 principles that focus on the pursuit of medium to long-term growth in value for shareholders without stifling the entrepreneurial spirit in which a company was created.

Companies need to deliver growth in long-term shareholder value. This requires an efficient, effective and dynamic management framework and should be accompanied by good communication which helps to promote confidence and trust.

Deliver growth

Principle 1: Establish a strategy and business model which promote long-term value for shareholders.

The Company's strategy and business model were initially established and set out in the Company's IPO Admission Document. The strategy is reviewed, assessed and revised at Board meetings as required. The Company's strategy, business model and progress are communicated through the Strategic Report of each Annual Report.

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

The Group's Chair meets with existing shareholders from time to time as does the Executive Director.

The Company has an active social media presence which seeks to keep all stakeholder groups informed of progress.

The Company welcomes all attendees to its Annual General Meetings ("AGMs") and seeks to engage with them both formally and informally on the day.

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

As a people-centric business, much of their 'day job' involves communication/meetings with both external third parties and the Company's staff. Minimising the environmental impact of these activities is actively encouraged through the Group's:

- Employment policies e.g. travel, use of public transport, working from home
- Use of Google Meet and Slack, web-based communications facilities.

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

The Company's approach to risk management together with the principal risks and uncertainties applicable, their possible consequences and mitigation are set out in the Principal Risks and Uncertainties section of the Company's Annual Report. The Board reviews, evaluates and prioritises risks to ensure that appropriate measures are in place to effectively manage and mitigate those identified.

Maintain a dynamic management framework

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

The Corporate Governance section of the Company's Annual Report details the composition of its Board and Committees. These are also included within the Investor Relations section of its website.

All of the Directors (both Executive and Non-executive) are committing the time necessary to fulfil their roles. Non-executive Directors sit on the Audit and Risk and Remuneration Committees. The Board meets formally at least six times a year. During the year to 30 September 2023, the Board met 7 times.

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

A biography of each Board member is included within the Investor Relations section of its website. These list current and past roles of each Board member and also describe the relevant business experience that each Director brings to the Board, plus their academic and professional qualifications.

The biographies show the balanced blend of skills and experience required to enable the Company to execute its strategic objectives within a corporate governance framework which has been tailored to its business activities.

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

The Corporate Governance section of the Annual Report describes the function of the Board and its Committees. Whilst the Company does not have a Nominations Committee, the Directors regularly review the structure, size, composition (including the skills, knowledge, experiences and diversity) of the Board and make recommendations to the Board with regard to any changes.

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

Within the Annual Report, the Chairman's statement provides further evidence of the iteration and implementation of the framework that continues to develop the Company's culture and support both existing and new employees. This sets out the Company's purpose, values and culture.

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

The Investor Relations area of the Company's website includes a Corporate Governance section which, in addition to the high-level explanation of the application of the QCA Code, describes the composition of the Board and its Committees, together with a brief biography of each Board member.

The roles of Committees are described, along with their terms of reference and matters reserved by the Board for its consideration.

The Corporate Governance section of the Annual Report also details the composition of the Board and its Committees, and the role of each Committee.

Build trust

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

The Corporate Governance section of the Annual Report includes disclosure of Board Committees, their composition and where relevant, any work undertaken during the year. It includes a detailed Remuneration Report. The s172 Statement section of the Annual Report provides details of stakeholder communication practices.

The website includes all historic Annual Reports, results announcements and presentations, and other governance-related material. These can be found in the Investor Relations section, under Regulatory News. This section of the website also includes the results of all AGMs.

This report was approved by the board on 31 January 2024 and signed on its behalf by:

DocuSigned by:

Jasmine Skee

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J Skee

Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUILD ESPORTS PLC

Opinion

We have audited the financial statements of Guild Esports Plc (the 'company') for the year ended 30 September 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including 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 company's affairs as at 30 September 2023 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest 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 2.2 in the financial statements, which discloses that events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern. The company incurred a net loss of £4,497,000 during the year ended 30 September 2023 and, as of that date, the company's current liabilities exceeded its current assets by £1,858,000. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the 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 director's 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 company's ability to continue to adopt the going concern basis of accounting included:

- Review of management's assessment of the going concern basis, together with the cash flow forecast for at least 12 months following the reporting date. The forecasts demonstrate that the company will require additional funding during the going concern period from a combination of additional equity raises, securing new sponsorship arrangements and other commercial contracts, which are not currently contracted or committed, in order to meet their liabilities as they fall due. A material uncertainty has been disclosed above in respect of this.

- Review of the key inputs into the cash flow forecast, including checking mathematical accuracy of the cash flow and discussion of significant assumptions used by management and comparing these with current and post year end performance. Stress testing the forecasted cash flows by stripping out sources of income that are not at the current time guaranteed, as well as critically reviewing fixed expenditure, in order to evaluate reasonably possible downside scenarios.
- Assessment of the levels of cash available to the company post year end and whether they are sufficient to cover expected outgoing costs over the cash flow period.
- Review of the latest available post year end general ledgers, bank statements, regulatory announcements and board minutes.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Materiality for the company financial statements was set at £134,000 (2022 - £250,000). Overall materiality was calculated based on 3% (2022: 3%) of the loss for the year, which we determined, in our professional judgement, to be the key principal benchmark within the financial statements relevant to members of the company in assessing financial performance. We set performance materiality at 70% (2022:70%) of overall financial statement materiality at £93,800 (2022 - £175,000) based upon the required coverage from testing key items and the absence of audit adjustments in prior periods.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £6,700 (2022 - £12,500). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

As part of our planning we assessed the risk of material misstatement including those that required significant audit consideration for the company. Procedures were then performed to address the most significant assessed risks of material misstatement. The procedures performed are outlined below in the Key Audit Matters section of this report. We addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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 we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Revenue recognition (note 2.3)	
Under ISA (UK) 240 there is a rebuttable presumption that revenue recognition is a fraud risk. **The company's revenue streams have different performance obligations and recognition criteria, and as such there is a significant risk that revenue has not been recognised appropriately in the year. The risk assertions principally relate to accuracy and cut-off.**	Our work in this area included: ● Updating our understanding of the internal control environment in which the company operates for material income streams and undertaking a walkthrough to ensure that the key controls within these systems have been operating effectively in the period under audit; ● Substantive testing of income recognised in the financial statements, including deferred and accrued income balances recognised at the year-end; ● A review of all key sponsorship agreements, ensuring revenue (both cash and in kind) has been recognised in line with the performance obligations, underlying agreements and recorded in the correct accounting period; ● Agreeing prize winnings in the year from an independent source to those recorded in the accounting system; and ● Assessing that the presentation and disclosures are in accordance with IFRS 15. Based upon our audit procedures, we did not identify any matters to indicate that revenue was not

	appropriately recorded and disclosed in the financial statements in accordance with IFRS 15.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion 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 company 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, International Accounting Standards, London Stock Exchange Rules and the Disclosure and Transparency Rules.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
    - Enquiries of management
    - Review of legal and professional fees
    - Review of Board minutes
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias in relation to revenue recognition. This was addressed through updating our understanding of the internal control environment, performing walkthrough tests, analysing the sponsorship agreements

for the year and substantive testing of revenue recognised. See Key Audit Matters section above.

- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; reviewing bank payments and receipts in the year; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Other matters which we are required to address

We were appointed by the Board on 7 December 2020 to audit the financial statements for the period ending 30 September 2020 and subsequent financial periods. Our total uninterrupted period of engagement is 4 years, covering the periods ending 30 September 2020 to 30 September 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

DocuSigned by:
David Thompson
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David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Guild Esports plc – Company Number 12187837

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note	Year ended 30 September 2023 £'000	Year ended 30 September 2022 £'000
Continuing Operations			
Revenue	3	5,525	4,453
Cost of sales	4	(1,538)	(1,686)
Gross profit		**3,987**	**2,767**
Administrative expenses	4	(7,397)	(10,913)
Depreciation & amortization		(844)	(430)
Operating loss		**(4,254)**	**(8,576)**
Finance costs	8	(243)	(172)
Loss before taxation		**(4,497)**	**(8,748)**
Taxation	7	-	-
Loss after taxation		**(4,497)**	**(8,748)**
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to shareholders from continuing operations		**(4,497)**	**(8,748)**
Basic and diluted earnings per share - pence	9	(0.82)	(1.69)

The accompanying notes on pages 42 to 63 form part of the financial statements.

Guild Esports plc – Company Number 12187837

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Note	As at 30 September 2023 £'000	As at 30 September 2022 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	**10**	1,452	1,552
Intangible assets	**11**	130	220
Right of use assets	**12**	3,046	3,457
Other receivables	**13**	143	143
TOTAL NON-CURRENT ASSETS		**4,771**	**5,372**
CURRENT ASSETS			
Cash and cash equivalents	**14**	459	2,730
Trade and other receivables	**15**	320	4,049
TOTAL CURRENT ASSETS		779	6,779
TOTAL ASSETS		**5,550**	**12,151**
EQUITY			
Share capital	**19**	622	519
Share premium	**19**	23,061	22,644
Share based payment reserve	**20**	838	650
Retained earnings		(24,752)	(20,255)
TOTAL EQUITY		**(231)**	**3,558**
NON-CURRENT LIABILITIES			
Provisions	**18**	346	323
Lease liability	**12**	2,781	3,204
TOTAL NON-CURRENT LIABILITIES		**3,127**	**3,527**
CURRENT LIABILITIES			
Trade and other payables	**16**	1,526	3,401
Deferred revenue	**17**	707	1,406
Lease liability	**12**	421	259
TOTAL CURRENT LIABILITIES		**2,654**	**5,066**
TOTAL LIABILITIES		**5,781**	**8,593**
TOTAL EQUITY AND LIABILITIES		**5,550**	**12,151**

The accompanying notes on pages of 42 to 63 form part of the financial statements

The financial statements were approved by the board on 31 January 2024 by:

Derek Lew, Non Executive Chairman ______________________

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Issued Share Capital	Share Premium	SBP Reserve	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
As at 1 October 2021	**519**	**22,643**	**419**	**(11,507)**	**12,074**
Loss for the year	-	-	-	(8,748)	(8,748)
Total comprehensive loss for the year	-	-	-	(8,748)	(8,748)
Share-based payments	-	-	232	-	232
Warrants cancelled during the year	-	1	(1)	-	-
Total transactions with owners	-	1	231	-	232
As at 30 September 2022	**519**	**22,644**	**650**	**(20,255)**	**3,558**
Loss for the year	-	-	-	(4,497)	**(4,497)**
Total comprehensive loss for the year	-	-	-	**(4,497)**	**(4,497)**
Shares issued during the year	103	519	-	-	622
Share-based payments	-	-	191	-	191
Exercised and lapsed warrants	-	-	(3)	-	(3)
Share issue costs during the year	-	(102)	-	-	(102)
Total transactions with owners	**103**	**417**	**188**	**-**	**708**
As at 30 September 2023	**622**	**23,061**	**838**	**(24,752)**	**(231)**

The accompanying notes on pages 42 to 63 form part of the financial statements

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note	Year ended 30 September 2023 £'000	Year ended 30 September 2022 £'000
Cash flow from operating activities			
Loss for the financial year		(4,497)	(8,748)
Adjustments for:			
Lease liability finance charge	**8**	243	172
Amortisation and impairment of intangible assets		90	36
Depreciation on property, plant and equipment		300	91
Depreciation on right of use assets		453	303
Loss on disposal of fixed assets		5	6
Services settled by issue of warrants		188	232
Changes in working capital:			
Decrease / (increase) in trade and other receivables		3,641	(560)
(Decrease) / increase in trade and other payables		(1,875)	2,564
(Decrease) / increase in deferred revenue		(611)	534
Net cash used in operating activities		**(2,063)**	**(5,370)**
Cash flows from investing activities			
Purchase of intangible assets		-	(206)
Purchase of property, plant and equipment		(205)	(1,620)
Net cash used in investing activities		**(205)**	**(1,826)**
Cash flows from financing activities			
Proceeds from issue of shares - net		520	-
Payment of lease liabilities		(523)	(146)
Net cash (used in)/generated from financing activities		**(3)**	**(146)**
Net (decrease)/increase in cash and cash equivalents		**(2,271)**	**(7,342)**
Cash and cash equivalents at beginning of the period		2,730	10,072
Cash and cash equivalents at end of the period	**14**	**459**	**2,730**

The accompanying notes on pages 42 to 63 form part of the financial statements

1 GENERAL INFORMATION

Guild Esports PLC is a public limited company incorporated in England and Wales and domiciled in the United Kingdom. The registered office is 2 Chance Street, London, E1 6JT. The Company was incorporated on 3 September 2019 originally under the name "The Lords Esports Plc" before changing its name on 17 April 2020.

The Company's principal activities and nature of its operations are disclosed in the Directors' Report.

2 ACCOUNTING POLICIES

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company has adopted the applicable amendments to standards effective for accounting periods commencing on 1 October 2022. The nature and effect of these changes as a result of the adoption of these amended standards did not have an impact on the financial statements of the Company and, hence, have not been disclosed. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.2 Going concern

The Company has prepared monthly cash flow forecasts based on reasonable estimates of key variables including revenue and operating costs that supports the conclusion of the Directors that they expect sufficient funding to be available to meet the Company's anticipated cash flow requirements over the next 12 months.

These cash flow forecasts are subject to a number of risks and uncertainties, including the ability of the Company to achieve additional funding. The Company's cash flow forecast includes new revenues streams related to the in-house consulting and production capability launched in 2023 that are difficult to forecast with certainty due to the project nature of the work. However, not all planned new revenue streams in the current financial year have been included in the Company forecast, where revenues are related to performance at major competitions, including the eSports World Cup in Saudi Arabia. The forecast will be updated when more information is released on the eSports World Cup in the near future.

Following previous successful fundraising the Directors are confident that sufficient additional capital will be raised to ensure adequate funds are available to the Company to execute on its strategy. However, this does constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

2.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

Royalties

The Company receives royalties from in-game digital products branded with the Guild logo. The rights to the digital products are held by the game developers, and Guild is not deemed to be the principal in such transactions. Therefore, the revenue recognised from the sale of these digital products is the net amount of commission earned by the Company.

Prize money

The Company operates esports teams in several game titles which each have multiple tournaments with varying amounts of prize pools. The Company recognises total prize winnings as revenue at the point that its esports teams' placing is confirmed in a tournament. Prize pool amounts payable to the Company's esports teams as part of the players' contracts are shown in cost of sales.

Long-term partnership contracts

The Company enters into partnership deals which provide rights over services and assets operated and owned by Guild. Contracts may include both fixed-price and variable-price services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on actual services provided relative to the total expected services expected as part of the contract. The rights over services and assets are subject to minimum monthly commitments and as such, these fixed-price contracts accrue materially evenly over the life of the contract. Contributions in kind are included in revenue at the fair value of the goods and services agreed.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors.

2.5 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. Website costs are amortised on a 33% per annum, straight-line basis.

2.6 Impairment of tangible and intangible assets

At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. The Company monitors both short-term and long-term credit ratings of the financial institutions it banks with. During the period, the Company banked with National Westminster Bank Plc which has a high rating from Fitch Ratings Inc, being 'F1' short-term and 'A+' long-term.

2.8 Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Trade and other receivables

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less expected credit losses.

IFRS 9 “Financial instruments” requires an expected credit loss model. The expected credit loss (ECL) model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The credit event does not have to occur before credit losses are recognised. IFRS 9 “Financial Instruments” allows for a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and contract assets.

The company believes there isn’t any credit risk in relation to any of the company’s trade and other receivables balance.

2.9 Financial liabilities

The Company recognises financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

2.10 Leases

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £5k) are recognised on a straight-line basis as an expense in profit or loss. The Company has applied this exemption to £81,897 (2022: £41,971) worth of rental expenses relating to short-term leases.

2.11 Provisions

Provisions have been recognised in relation to leasehold dilapidations. This provision relates to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The provision cost is recognised as depreciation of right of use property assets over the remaining term of the lease. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

2.12 Equity and reserves

Share capital is determined using the nominal value of shares that have been issued.

Shares to be issued relates to monies received in advance ahead of the issue of shares that was completed post period end following the admission to the London Stock Exchange. Upon the issue of these shares this reserve will be split between share capital and share premium reserves.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

The share-based payment reserve is used to recognise the grant date fair value of options and warrants issued but not exercised.

Retained losses includes all current and prior period results as disclosed in the income statement.

2.13 Earnings per share

The Company presents basic and diluted earnings per share data for its Ordinary Shares.

Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

2.14 Taxation

Tax currently receivable or payable is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is proved in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised of the deferred tax asset or liability is settled.

2.15 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When the Company acquires any plant and equipment it is stated in the accounts at its cost of acquisition less a provision.

Depreciation is charged to write off the costs less estimated residual value of plant and equipment on a straight basis over their estimated useful lives being:

- Office equipment 33% straight-line per annum
- Office equipment (furniture) 33% straight-line per annum
- Computer equipment 33% straight-line per annum
- Leasehold improvements 10% straight-line per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

2.16 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and judgements and form assumptions that affects the reported amounts of the assets, liabilities, revenue and costs during the periods presented therein, and the disclosure of contingent liabilities at the date of the financial information. Estimates and judgements are continually evaluated and based on management's historical experience and other factors, including future expectations and events that are believed to be reasonable.

During the year, the Company issued warrants. The directors have applied the Black-Scholes pricing model to assess the costs associated with the share-based payments. The Black-Scholes model is dependent upon several inputs where the directors must exercise their judgement, specifically: risk-free investment rate; expected share price volatility at the time of the grant; and expected level of redemption. The assumptions applied by the directors, and the associated costs recognised in the financial statements are outlined note x in these financial statements.

2.17 Foreign currency

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2.18 New standards, amendments and interpretations

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases have not yet been adopted by the UK):

Standard	Impact on initial application	Periods commencing

IAS 1	Presentation of Financial Statements and Disclosure of Accounting Policies	1 January 2023
IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
IAS 1	Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 12	Deferred tax arising from a single transaction	1 January 2023
IAS 12	International Tax Reform – Pillar Two Model Rules	1 January 2023
IFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
IFRS 17	Insurance contracts	1 January 2023

The effect of these amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

The directors are evaluating the impact that these standards may have on the financial statements of Company.

3. REVENUE

The Company derives revenue from various sources, including revenue from contracts with customers. These revenue sources involve the transfer of goods and/or services over time and at a point in time in the following major product lines and geographical regions.

Revenue analysed by class of business	**Year ended 30 Sep 2023 £'000**	**Year ended 30 Sep 2022 £'000**
Sponsorship revenue – over time *	3,823	2,983
Sponsorship revenue – value in kind – point in time	35	165
Guild Studios – point in time	259	-
Prize winnings – point in time	1,026	1,275
Other revenue – point in time	382	30
	5,525	**4,453**

*2023: Sky 39% / Bitstamp 35% / Subway 16% (2022: Bitstamp 34% / Subway 50%)

Revenue analysed by geographical market	Year ended 30 Sep 2023 £'000	Year ended 30 Sep 2022 £'000
UK	2,079	655
EMEA	2,479	2,833
USA	967	965
	5,525	**4,453**

4. OPERATING COSTS AND ADMINISTRATIVE EXPENDITURE

	Year ended 30 Sep 2023 £'000	Year ended 30 Sep 2022 £'000
Cost of sales		
Player prize money	(883)	(1,190)
Sponsorship direct costs	(477)	(477)
Other direct costs	(178)	(19)
Total cost of sales	**(1,538)**	**(1,686)**
Administrative costs		
Directors fees and payments	(353)	(487)
Esports and content creator costs	(1,099)	(2,345)
Ambassador fees	(1,750)	(2,729)
Academy costs	(197)	(177)
Legal, professional and regulatory fees	(284)	(777)
Marketing, promotion and content production costs	(588)	(894)
Staff and operations costs	(2,938)	(3,272)
Share based payment charge	(188)	(232)
Total administrative costs	**(7,397)**	**(10,913)**

5. AUDITORS REMUNERATION

	Year ended 30 Sep 2023 £'000	Year ended 30 Sep 2022 £'000
Fees payable to the Company's auditor for the audit of the Company financial statements	34	28
	34	**28**

6. STAFF COSTS AND DIRECTORS' EMOLUMENTS

Directors' remuneration and employee costs for the Company is set out below and as per Directors Remuneration report.

The aggregate remuneration of employees comprised:

	Year ended 30 Sep 2023 £'000	Year ended 30 Sep 2022 £'000
Wages and salaries	1,605	1,654
Social security	185	220
Pension costs	24	26
Share Based Payments	188	231-
	2,002	**2,131**

Settlement and termination agreements during the period amounted to £15,925 (2022: £nil), included within the totals above.

	Year ended 30 Sep 2023 £'000	Year ended 30 Sep 2022 £'000
Directors' remuneration and fees	316	485
Amounts paid in respect of departure agreement	12	-
Company pension contributions to defined contribution schemes	2	2
	330	**487**

The highest paid director received remuneration of £137,050 (2022: £150,000) including pension contributions of £550.

On average, including non-executive directors, the Company employed 32 staff members (2022: 36) of which 6 were in management positions (2022: 5)

Gender Analysis as at 30th Sep 23	Male	Female
Directors	2	2
Senior Managers	3	1
Employees	17	10
	22	13

7. TAXATION

No liability to corporation taxes arise in the period.

The (charge)/credit for the year can be reconciled to the loss per the statement of comprehensive income as follows:

	30 Sep 2023 £'000	30 Sep 2022 £'000
The charge for year is made up as follows:		
Corporation tax on the results for the year	-	-
A reconciliation of the tax charge appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:		
Loss before tax	(4,497)	(8,748)
Tax credit at the weighted average of the standard rate of corporation tax in UK of 22% (2022: 19%)	(989)	(1,662)
Impact of costs disallowed for tax purposes	276	49
Unutilised tax losses carried forward	713	1,613
Corporation tax charge for the year	**-**	**-**

The Company has total carried forward losses of £24,546,749 (2022: £19,634,235) available to be carried forward against trading profits arising in future periods. No deferred tax assets in respect of tax losses have been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

On 23 September 2022 the Chancellor announced that he has cancelled the planned corporation tax increase and rather than rising to 25 per cent from April 2023, the rate will remain at 19 per cent for all firms, regardless of the amount of profit made. This was subsequently reversed by the Chancellor on 17 October 2022, confirming corporation tax increased to 25% from April 2023.

8. FINANCE COSTS

	30 Sep 2023 £'000	30 Sep 2022 £'000
Finance charge on leased assets	(243)	(172)
	(243)	**(172)**

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the period.

	30 Sep 2023	30 Sep 2022

Loss for the year from continuing operations – £'000	(4,497)	(8,748)
Weighted number of ordinary shares in issue (number)	547,596,540	518,617,362
Basic earnings per share from continuing operations – pence	**(0.82)**	**(1.69)**

There is no difference between the diluted loss per share and the basic loss per share presented due to the loss position of the Company. Share options and warrants could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented. See note 20 for further details.

10. PROPERTY, PLANT AND EQUIPMENT

2023	**Office Equipment £'000**	**Leasehold improvements £'000**	**Total £'000**
Cost			
At 30 September 2022	574	1,072	1,646
Additions	42	163	205
Disposals	(14)	-	(14)
At 30 September 2023	602	1,235	1,837
Depreciation			
At 30 September 2022	(67)	(27)	(94)
Charge for the year	(188)	(112)	(300)
Disposals	9	-	9
At 30 September 2023	(246)	(139)	(385)
Net book value at 30 September 2022	507	1,045	1,552
Net book value at 30 September 2023	**356**	**1,096**	**1,452**

2022	**Office Equipment £'000**	**Leasehold improvements £'000**	**Total £'000**
Cost			
At 30 September 2021	38	-	38
Additions	548	1,072	1,620
Disposals	(12)	-	(12)

At 30 September 2022	574	1,072	1,646
Depreciation			
At 30 September 2021	(8)	-	(8)
Charge for the year	(65)	(27)	(92)
Disposals	6	-	6
At 30 September 2022	(67)	(27)	(94)
Net book value at 30 September 2021	30	-	30
Net book value at 30 September 2022	**507**	**1,045**	**1,552**

11. INTANGIBLE ASSETS

2023	**Website costs £'000**	**Total £'000**
Cost		
At 30 September 2022	280	280
Additions	-	-
At 30 September 2023	280	280
	Website costs £'000	**Total £'000**
Amortisation & impairment		
At 30 September 2022	(60)	(60)
Charge for the year	(90)	(90)
At 30 September 2023	(150)	(150)
Carrying amount		
As at 30 September 2022	220	220
As at 30 September 2023	**130**	**130**

2022	**Website costs £'000**	**Total £'000**

Cost		
At 30 September 2021	74	74
Additions	206	206
At 30 September 2022	280	280
	Website costs £'000	**Total £'000**
Amortisation & impairment		
At 30 September 2021	(24)	(24)
Charge for the year	(36)	(36)
At 30 September 2022	(60)	(60)
Carrying amount		
As at 30 September 2021	50	50
As at 30 September 2022	**220**	**220**

12. LEASES

The Company had the following lease assets and liabilities:

	30 Sep 2023 £'000	30 Sep 2022 £'000
Right of use asset		
Properties	2,688	3,010
Equipment	358	447
	3,046	3,457
Lease liabilities		
Current	421	259
Non-current	2,781	3,204
	3,202	3,463

Total cash outflow in relation to leases for the year was £523,317 (2022: £49,270)

Right of use assets

A reconciliation of the carrying amount of the right-of-use asset is as follows:

	30 Sep 2023 £'000	30 Sep 2022 £'000
Right of use assets		
Properties		
Opening balance	3010	-
Additions in period	9	3,284
Depreciation	(331)	(274)
	2,688	3,010
Equipment		
Opening balance	447	-
Additions in period	33	477
Depreciation	(122)	(30)
	358	447
TOTAL	**3,046**	**3,457**

Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

	30 Sep 2023 £'000	30 Sep 2022 £'000
Lease liabilities		
Opening balance	3,463	-
Additions in period	42	3,356
Payment made	(523)	(50)
Finance charge	220	157
	3,202	**3,463**

	30 Sep 2023 £'000	Sep 2022 £'000
Maturity on lease liabilities		
Current	616	519
Due between 1-2 years	584	598
Due between 2-5 years	1,076	1,267
Due beyond 5 years	1,854	2,232
	4,130	**4,616**

The Company also incurred expenses during the year of £76,785 (2022: £25,735) which related to leases that were either short term in nature (12 months of less) or of low value in nature (less than £2,000 per annum), thus being excluded from treatment under IFRS 16: Leases.

13. OTHER RECEIVABLES

	30 Sep 2023 £'000	30 Sep 2022 £'000
Rental deposit - property	143	143
	143	**143**

14. CASH AND CASH EQUIVALENTS

	30 Sep 2023 £'000	30 Sep 2022 £'000
Cash and cash equivalents	459	2,730
	459	**2,730**

15. TRADE AND OTHER RECEIVABLES

	30 Sep 2023 £'000	30 Sep 2022 £'000
Trade receivables	187	1,375
Accrued revenue	25	88
VAT recoverable	-	660
Prepayments	107	1,870
Other receivables	1	56
	320	**4,049**

16. TRADE AND OTHER PAYABLES

		30 Sep 2023 £'000	30 Sep 2022 £'000
Trade payables		1,102	3,150
Accruals		337	242
Social security and other taxation		81	-
Other payables		6	9

		1,526	**3,401**

17. DEFERRED REVENUE

		30 Sep 2023 £'000	30 Sep 2022 £'000
Arising from sponsorship income		707	1,406
		707	**1,406**

All deferred revenues are expected to be recognised within 12 months from the reporting date.

18. PROVISIONS

	Leasehold dilapidation £'000	Total £'000
2023		
At 1 October 2022	323	323
Unwinding of discount	23	23
At 30 September 2023	346	346
As at 30 September 2022	323	323
As at 30 September 2023	**346**	**346**
2022		
At 1 October 2021	-	-
On acquisition of lease	307	307
Unwinding of discount	16	16
At 30 September 2022	323	323
As at 30 September 2021	-	-
As at 30 September 2022	**323**	**323**

The Company is required to restore the leased premises to their original condition at the end of the lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. The costs of the leasehold improvements have been capitalised as part of the cost of the right of use asset and are amortised over the shorter of the term of the lease and the useful life of the assets.

19. SHARE CAPITAL

	30 Sep 2023 £'000	30 Sep 2022 £'000
Issued and fully paid ordinary shares with a nominal value of 0.1p		
Number of shares	622,317,362	518,617,362
Nominal value (£'000)	622	519

Change in issued Share Capital and Share Premium:

	Number of shares	Share capital	Share premium	Total
Ordinary shares		**£'000**	**£'000**	**£'000**
Balance at 1 October 2022	518,617,362	519	22,644	23,163
Share issue[1]	103,700,000	103	417	520
Balance at 30 September 2023	**622,317,362**	**622**	**23,061**	**23,683**

[1] In June 2023 the Company completed a £622,200 fundraise, before direct costs, by way of a share placing and subscription for 103,700,000 new ordinary shares at a price of £0.006 per share. The placement was supported by new and existing investors, as well as by the Company's directors and executive management. The directors subscribed for an aggregate total of 15,833,333 of these new ordinary shares at £0.006 per share representing a total contribution of £95,000.

20. SHARE BASED PAYMENTS

	£'000
Balance as at 1 October 2022	650
Warrants issued in the period[1]	191
Warrants lapsed/expired during the period	(3)
Balance as at 30 September 2023	**838**

[1] On 1 November 2022 the Company granted 14,750,000 warrants to staff and contractors. The warrants have an expiry date of 5 years from the date of agreement and an exercise price of 1.4 pence. The warrants vest 50% 6 months after the agreement and the remaining 50% 18 months after the agreement. Agreements for 11,250,000 of these warrants include exercise conditions such that a valid services agreement must be in place at time of exercise. The remaining agreements have no exercise conditions.

On 20 June 2023 the Company granted 50,350,000 warrants to staff and directors. The warrants have an expiry date of 5 years from the date of agreement and an exercise price of 0.67 pence.

Warrants for non executive directors vest immediately and have no exercise conditions. Warrants for executive directors vest over 3 years, warrants for senior management vest over 2 years, and warrants for the remaining staff vest over 1 year. These warrants all require a services agreement to be in place on exercise date.

The estimated fair values of options which fall under IFRS 2, and the inputs used in the Black-Scholes pricing model to calculate those fair values are as follows:

Date of grant	Number of warrants	Share price	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividends
1 November 2022	14,750,000	£0.0165	£0.014	31.16%	5	3.43%	0.00%
20 June 2023	50,350,000	£0.0067	£0.0067	78.29%	5	4.60%	0.00%

The following warrants over ordinary shares have been granted by the Company and are outstanding:

Grant date	Expiry period	Exercise price	Outstanding at 30 September 2023	Exercisable at 30 September 2023
18-Feb-20	24 months from the first anniversary of admission	£0.01	3,250,000	3,250,000
13-Mar-20	36 months from the first vesting date	£0.01	75,000	75,000
18-Jun-20	36 months from the first vesting date	£0.06	1,666,666	1,666,666
19-Jun-20	5 years from issue	£0.06	6,963,000	6,963,000
29-Jun-20	36 months from the first vesting date	£0.06	250,000	166,667
07-Jul-20	36 months from the first vesting date	£0.06	225,000	150,000
07-Aug-20	36 months from the first vesting date	£0.06	500,000	333,333
14-Aug-20	36 months from the first vesting date	£0.06	750,000	500,000
17-Aug-20	36 months from the first vesting date	£0.06	1,000,000	666,667
20-Aug-20	36 months from the first vesting date	£0.06	1,000,000	666,667
28-Aug-20	36 months from the first vesting date	£0.06	150,000	100,000
02-Oct-20	5 years from issue	£0.10	20,584,694	20,584,694
27-Sep-22	5 years from grant	£0.027	25,930,868	25,930,868
01-Nov-22	5 years from agreement	£0.014	14,750,000	7,375,000
20-Jun-23	5 years from agreement	£0.0067	50,350,000	20,000,000
			127,445,228	88,428,562

	As at 30 Sep 2023	
	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	5.8p	62,845,228
Lapsed during the year (warrants)	2.2p	(1,350,000)
Vested during the year	0.9p	27,375,000
Issued during the year	0.8p	65,100,000
Outstanding at the end of the year	3.3p	126,595,228
Exercisable at the end of the year	4.3p	88,003,562

21. FINANCIAL RISK MANAGEMENT

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (price risk), credit risk and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance. The Company has no borrowings but is exposed to market risk in terms of foreign exchange risk. Risk management is undertaken by the board of directors.

Market risk - price risk

The Company is exposed to price risk primarily for the costs of operating in the Esports industry.

Credit risk

No credit risk arises from outstanding receivables, which stood at £187k at period close (see note 15). Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the board. The Company considers the credit ratings of banks in which it holds funds in order to limit risk of loss of assets.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Controls over expenditure are carefully managed, in order to maintain its cash reserves.

Capital risk management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure. The Company has no borrowings. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

30 Sep 2023	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets / liabilities	**£'000**	**£'000**	**£'000**
Trade and other receivables	188	-	188
Cash and cash equivalents	459	-	459
Trade and other payables	-	(1,174)	(1,174)
Lease liabilities (current)	-	(3,202)	(3,202)
	647	**(4,376)**	**(3,729)**

30 Sep 2022	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets / liabilities	**£'000**	**£'000**	**£'000**
Trade and other receivables	1,574	-	1,574
Cash and cash equivalents	2,730	-	2,730
Trade and other payables	-	(3,159)	(3,159)
Lease liabilities (current)	-	(3,463)	(3,463)
	4,304	**(6,622)**	**(2,318)**

23. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

Rental lease agreement

The Company signed a 10 year lease beginning on 22 November 2021. The Company had a rent free period from signing until 1 December 2022 and a break clause after five years. There is a further 13 month rent free period available following the break date. Rental payments commenced on 1 December 2022 and there are committed cashflows of £570,000 (including VAT) due in the 12 month period from October 2023. Maturity on these liabilities can been referenced at Note 12.

There were no contingent liabilities at 30 September 2023.

24. RELATED PARTY TRANSACTIONS

On 17 November 2022, Jocelin Caldwell was appointed as a Director of the Company. Reimagine Work Ltd, a company incorporated in Canada is controlled by Ms Caldwell and provided HR consultancy and recruitment services to Guild Esports plc from May 2022 until April 2023. During the period from 17 November 2022, the Company paid Reimagine Work Ltd HR consultancy and recruitment fees and expenses totalling £195,805.

25. EVENTS SUBSEQUENT TO PERIOD END

Fundraise

In November 2023, the Company completed a £580,000 fundraise by way of a share placing and subscription for 116,000,000 new ordinary shares at a price of £0.005 per share. The placement was supported by new and existing investors, including the Company's directors and executive management. The directors and executive management subscribed for an aggregate total of 6,000,000 of these new ordinary shares at £0.005 per share representing a total contribution of £30,000.

Following the fundraise, 00 Nation AS held 100,000,000 ordinary shares, representing 13.5% of the enlarged share capital.

26. CONTROL

In the opinion of the Directors as at the year end and the date of these financial statements there is no single ultimate controlling party.