

**Registration No. 12187837**

**Defence Holdings Plc (former Guild Esports plc)**

**Annual Report & Financial Statements for the 18 months period  
ended 31 March 2025**

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**Defence Holdings Plc**  
**Company Information**  
**For the financial period up to 31 March 2025**

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DIRECTORS	Mr. Derek Lew Mr. Brian Stockbridge Ms. Jasmine Skee (Resigned October 2024) Mrs. Jocelyn Caldwell (Resigned November 2023)
COMPANY SECRETARY	Mr. Brian Stockbridge
REGISTERED OFFICE	72 Charlotte St, London W1T4QQ
REGISTERED NUMBER	12187837
BROKERS	Shard Capital Partners LLP 36-38 Cornhill, London, EC3V 3NG  Fortified Securities (a trading division of RiverFort Global Capital Ltd) Office 9, Dalton House, 60 Windsor Avenue, London, United Kingdom, SW19 2RR
INDEPENDENT AUDITOR	Zenith Audit Ltd 1 <sup>st</sup> Floor, 18 Devonshire Row London EC2M 4RH
SHARE REGISTRARS	Computershare The Pavilions Bridgewater Road Bristol BS99 6

## Defence Holdings Plc

### Chairman's Report

#### For the financial period up to 31 March 2025

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#### Chairman's Report

The 2025 financial period marked a period of significant challenge and transformation for Defence Holdings plc. Under the previous business, trading as Guild Esports plc, the business did not perform well during the period and it was not possible to attract sufficient investment to allow the Company to continue with its plan. The Board made the strategic decision to sell the company's existing business, assets, and liabilities. This decisive action was taken to address persistent operational underperformance and to reset the company's strategic direction.

Total revenues declined by 21.5% for the 18 month period ended 31 March 2025 to £4.33m (2023: 5.53m) and, whilst costs were cut during the period, operating losses amounted to £2.91m (2023: £4.25m).

As Guild Esports plc, the Company experienced ongoing financial challenges, with persistent losses and mounting liabilities despite efforts to streamline costs and pursue new revenue streams. The company's interim results and regulatory announcements highlighted a continued underperformance, including a loss before tax of £1.8 million for the six months ended 31 March 2024, and a share price decline of nearly 90% over the preceding year. These difficulties led the board to conduct a strategic review and ultimately conclude that the business could not continue operating in its existing form. After exhausting alternative fundraising and financing options, Guild Esports plc agreed to sell all its assets and liabilities to DCB Sports LLC. The transaction, completed in October 2024, saw DCB Sports acquire 100% of Guild's assets for a cash payment of £100,000 and the assumption of over £2 million in liabilities. The Guild brand is now operated under a new entity, Guild Esports & Gaming Ltd., with DCB Sports providing the working capital needed to stabilize and develop the business further.

All employees, except for the non-executive directors, were either transferred with the business or have departed from the Company.

#### *Strategic Overhaul: From Esports to Defence Technology*

Over the past fifteen months, the Company underwent a comprehensive strategic transformation. In October 2024, it completed the disposal of all esports-related operations, assets, and associated liabilities to DCB Sports LLC. This transaction removed over £2 million in liabilities from the balance sheet and generated £100,000 in cash proceeds. During the transition, non-executive directors explored a range of strategic alternatives. After extensive discussions, the non-executive Directors resolved to pursue a refocused strategy in the defence sector, recognising the long-term opportunity and national importance of this domain.

In May 2025, the Company changed its name to Defence Holdings plc and began trading under the ticker symbol ALRT.

#### *Launch of the Five-Year Strategic Plan*

On 29 May 2025, the Company published its 2025–2030 Strategic Plan, aiming to position Defence Holdings plc as a leader in the software-defined, AI-driven defence era.

The strategy is structured around four core technology pillars:

- Drone Warfare & Aggregation
- AI Agents for Defence Operations
- Information & Influence Warfare
- Critical Infrastructure Defence

Each pillar is grounded in analysis of current conflict dynamics, with a focus on the lessons from Ukraine and other recent theatres, highlighting the impact of low-cost drones, AI-enabled logistics, synthetic media, and integrated cyber–physical threats. The platform is designed to deliver sovereign, modular capabilities to address asymmetric and rapidly evolving challenges.

**Defence Holdings Plc**  
**Chairman's Report**  
**For the financial period up to 31 March 2025**

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***Strengthened Financial Platform***

To support the new strategy, the Company conditionally raised £3.45 million via an oversubscribed placing and subscription at 0.325 pence per share, announced on 30 May 2025. The non-executive Directors contributed an additional £350,000 to the raise, reflecting confidence in the new direction.

The funding will support:

- Recruitment of key technical and operational personnel
- Rapid development of prototypes across all four technology pillars
- Initial deployments and pilot programmes with government and defence partners
- Expansion of research partnerships with UK and European innovation ecosystems

The Company now operates with a streamlined cost base and no significant legacy liabilities, allowing for focused capital deployment and growth.

On behalf of the Board, sincere thanks are extended to shareholders, partners, and supporters for enabling this bold transition. Defence Holdings plc is now focused on building a next-generation defence technology platform, contributing to the security and resilience of the United Kingdom and its allies. This marks only the beginning of a new chapter for the Company.

DocuSigned by:  
  
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**Mr D Lew**  
**Non-Executive Chairman**

# Defence Holdings Plc

## Strategic Report

### For the financial period up to 31 March 2025

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#### *Principal activity*

The Company has been developing a new business model focused on proprietary defence technologies, including AI, drone warfare, cybersecurity, and critical infrastructure defence. The Company is headquartered in the UK and its shares are listed on the main market of the London Stock Exchange (ticker: ALRT).

#### *Strategy and operational review*

The Company is fundamentally reshaping its Board and leadership to reflect its new mission and the demands of the defence technology sector. A proposed group of directors and senior advisers with experience in defence, national security, cyber operations, AI, aerospace, and strategic communications is being brought forward. The new governance framework is designed to combine agility with rigour, ensuring high standards of corporate governance, ethical responsibility, and operational oversight.

#### *Strategic Objectives and Business Plan*

The Company's strategic objectives are centred on the development and commercialization of next-generation defence technologies over the next two financial years and beyond. The key strategic initiatives include:

- Development of a secure, scalable software platform for autonomous drone aggregation (ADAP).
- Establishment of an in-house Defence AI Studio to create modular AI agents supporting defence operations.
- Acquisition or co-development of a media authenticity engine for information and influence warfare.
- Enhancement of operational technology security with AI-driven anomaly detection and digital twin stress testing.

These objectives are supported by a detailed Five-Year Strategic Plan (2025–2030), which outlines key assumptions regarding market growth, technology adoption, and regulatory compliance. The Company's business plan is sensitive to variations in assumptions such as defence sector spending, technology development timelines, recruitment of key personnel, and regulatory changes. The Company does not include profit forecasts in this prospectus but acknowledges the inherent uncertainties in achieving these strategic goals.

#### *Principal risks and uncertainties*

The Board considers the principal risks of the Company to be as follows:

##### *Dependence on Key Individuals*

The success of Defence Holdings PLC's new business is materially dependent upon the expertise and continued involvement of key individuals, including the executive directors and newly appointed leadership team with deep defence and technology sector experience. Notable key individuals include:

- James Norwood (Independent Non-Executive Chairman), with extensive defence and aerospace leadership experience.
- Andrew McCartney (Senior Independent Non-Executive Director), expert in AI, cybersecurity, and national security ventures.
- Ian Yarwood-Lovett (Independent Non-Executive Director), with a background in strategic wargaming and defence technologies.
- Anthony "Staz" Stazicker CGC (Independent Non-Executive Director), former UK Special Forces officer with operational expertise.

The Company acknowledges that the loss of one or more of these key individuals could have a material adverse effect on its business and prospects.

##### *Market Competitors*

The Company operates in a competitive and rapidly evolving defence technology market. Key competitors include established large defence contractors such as BAE Systems, QinetiQ, and Rolls-Royce, as well as innovative next-generation firms such as Anduril Industries (US), Helsing (Germany), Palantir Technologies, Marques Aviation, Roke Manor Research, and CRFS. The Company's competitive positioning is based on agility, software-first solutions, and AI-native platforms, aiming to differentiate from hardware-centric incumbents. However, the Company cannot guarantee market share or preference over these competitors.

## Defence Holdings Plc

### Strategic Report

#### For the financial period up to 31 March 2025

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#### *Dependence on Customers and Suppliers*

At this early stage, Defence Holdings PLC's business development is dependent on establishing relationships with a limited number of strategic partners, customers, and suppliers in the defence sector. The Company's ability to secure contracts, technology licenses, and supply chain arrangements is critical to its growth. Any disruption or failure in these relationships could materially impact the Company's operations.

#### *Assets Not Owned by the Company*

Certain assets necessary for the Company's product development and service delivery, such as commercial off-the-shelf drones and third-party software components, are not owned by the Company but are intended to be integrated into its platforms. The Company will rely on third-party suppliers and contractors to be identified for these assets and associated services. Any failure or disruption in supply or support from these third parties could adversely affect the Company's ability to deliver its solutions.

#### *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 to grow an audience and generate media value for current and future partners	Shareholders and Business Relationships	To ensure the Company has the 'platform' that will ensure it can support expansion on a global scale
Continue the Guild College BTEC programme	Community	Engaging with students to provide skills and support their career development.

**Defence Holdings Plc**  
**Directors' Report**  
**For the financial period up to 31 March 2025**

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**Directors' Report**

**General information**

The Directors present the Annual Report and audited financial statements for the period ended 31 March 2025.

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 period ended 31 March 2025 (2023: 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 period ended 31 March 2025 were as follows:

<b>Member</b>	<b>Meetings attended</b>
D Lew	9
B Stockbridge	10
J Caldwell (resigned 30 November 2023)	9
J Skee (resigned 16 October 2024)	12

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.



**Defence Holdings Plc**  
**Directors' Report**  
**For the financial period up to 31 March 2025**

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**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 (2024: £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 and resigned 16 October 2024)

Mr Brian Stockbridge

**Directors' Report**

**Directors' shareholdings**

	<b>31 March 2025</b>		<b>30 September 2023</b>	
	<b>Ordinary Shares</b>	<b>Percentage of issued share</b>	<b>Ordinary Shares</b>	<b>Percentage of issued share</b>
Derek Lew	12,633,333	1.57	14,133,333	2.27
Brian Stockbridge	1,666,667	0.21	1,666,667	0.27
<b>Total</b>	<b>14,300,000</b>	<b>1.78</b>	<b>19,966,666</b>	<b>3.21</b>

**Directors' warrant holdings**

	<b>Warrants over ordinary shares at 31 March 2025</b>	<b>Warrants over ordinary shares at 30 September 2023</b>
<b>Derek Lew</b>	7,500,000	7,500,000
<b>Brian Stockbridge</b>	7,500,000	7,500,000
<b>Total</b>	<b>15,000,000</b>	<b>15,000,000</b>

**Defence Holdings Plc**  
**Directors' Report**  
**For the financial period up to 31 March 2025**

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**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 provided that the £3.45m fundraise is received following the approval of the prospectus by the FCA. 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 should the committed £3.45m funding not be received. The funding is committed and is conditional on the new shares being admitted to trading on the London Stock Exchange, which requires a prospectus to be approved by the FCA which is in progress. 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 17 July 2025, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company:

	Number of Share	Percentage Holding%
00NATION AS	100,000,000	12.42%
DAVID BECKHAM	24,573,529	3.05%
CGWL NOMINEES LIMITED	50,070,500	6.22%
HARGREAVES LANSDOWN (NOMINEES) LIMITED	62,532,211	7.77%
HARGREAVES LANSDOWN (NOMINEES) LIMITED	41,517,527	5.16%
HARGREAVES LANSDOWN (NOMINEES) LIMITED	31,940,694	3.97%
HSDL NOMINEES LIMITED	25,750,110	3.20%
INTERACTIVE BROKERS LLC	53,057,729	6.59%
LYNCHWOOD NOMINEES LIMITED	31,860,624	3.96%
MR KOSHY VINOD	66,666,667	8.28%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	39,820,700	4.95%

**Controlling shareholder**

The Company does not have a controlling shareholder.

## Defence Holdings Plc

### Directors' Report

### For the financial period up to 31 March 2025

#### Greenhouse gas emissions

As at the year end, the Directors, operate both from their respective homes, with little to no travel. 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	Defence Holdings Summary
Governance	<ul style="list-style-type: none"> <li>Board's oversight of climate-related risks and opportunities</li> <li>Management's role in assessing and managing climate-related risks and opportunities</li> </ul>	<p>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.</p> <p>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.</p>
Strategy	<ul style="list-style-type: none"> <li>Climate-related risks and opportunities identification</li> <li>Climate-related risks and opportunities impacts</li> <li>Resilience of the organisation's strategy</li> </ul>	<p>The Company is committed to a healthier net zero planet, and considers this in development of its long-term strategy.</p> <p>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.</p> <p>The Company will continue to identify and consider ESG risks and opportunities in development of its strategy.</p>
Risk Management	<ul style="list-style-type: none"> <li>Identifying and assessing climate-related risks</li> <li>Managing climate-related risks</li> <li>Integration into overall risk management</li> </ul>	<p>As a small company, Defence Holdings is able to embed climate-related risk management into its overall internal control environment from an early stage, thus hugely reducing transition risk.</p> <p>As the Company grows, the identification, assessment and management of climate-related risks and opportunities will be actively discussed during Board and management meetings.</p>
Metrics and Targets	<ul style="list-style-type: none"> <li>Climate-related metrics</li> <li>Scope 1, Scope 2 and Scope 3 emissions</li> <li>Climate-related targets</li> </ul>	<p>As the Company grows, it will continue to monitor its energy use. The Company will seek to collect, structure, and effectively disclose related performance data for the material climate-related risks and opportunities identified where relevant.</p> <p>The Board will also look to adopt SASB recommended disclosures in the next 2-3 years.</p> <p>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.</p>

The company does not have any gas usage and does not own or rent any property or vehicles.

**Defence Holdings Plc**  
**Directors' Report**  
**For the financial period up to 31 March 2025**

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**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, Zenith Audit Ltd, 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 18 July 2025 and signed on its behalf by:

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 Derek Lew   
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**Non-executive Chair**

**Defence Holdings Plc**  
**Remuneration Report**  
**For the financial period up to 31 March 2025**

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**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 Period ended 31 March 2025.

The Company's remuneration committee is comprised of Derek Lew (as committee chair) and Jocelin Caldwell (resigned November 2023). 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 2025 was £1.5m (2023: £1.6m) 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**

Executive Directors

Element	Purpose	Policy	Operation	Opportunity & Performance Conditions
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 the recommendations of the remuneration committee in relation to the contributions of the Company	N/A	N/A
Share options	N/A	Based on the recommendations of the remuneration committee as part of a management incentive, where appropriate	N/A	N/A

**Defence Holdings Plc**  
**Remuneration Report**  
**For the financial period up to 31 March 2025**

**Remuneration Report**

Non- Executive Directors

Element	Purpose	Policy	Operation	Opportunity & Performance Conditions
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 the recommendations of the remuneration committee in relation to the contributions of the Company	N/A	N/A
Share options	N/A	Based on the 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 period ended 31 March 2025 is as follows:

Name	Base Salary (£)	Benefits (£)	Other (£)	Total (£)
D Lew	90,000	-	90,000	<b>180,000</b>
J Caldwell	10,500	-	-	<b>10,500</b>
J Skee	180,000	1,490	34,616	<b>216,106</b>
B Stockbridge	63,000	-	57,339	<b>120,339</b>
<b>Total</b>	<b>343,500</b>	<b>1,490</b>	<b>181,955</b>	<b>526,945</b>

**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 completed years	Date of current engagement letter
J Caldwell	2022	1	17 November 2022
J Skee	2023	1	1 January 2023
D Lew	2019	5	3 December 2019
B Stockbridge	2022	3	31 March 2022

## **Defence Holdings Plc**

### **Remuneration Report**

#### **For the financial period up to 31 March 2025**

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### **Remuneration Report**

#### **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 Defence Holdings 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
31 March 2025	£106.76	£9.13
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.

## **Defence Holdings Plc**

### **Remuneration Report**

#### **For the financial period up to 31 March 2025**

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## **Remuneration Report**

### **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. Minimizing 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 prioritizes 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.



**Defence Holdings Plc**  
**Remuneration Report**  
**For the financial period up to 31 March 2025**

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**Remuneration Report**

*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 behaviors.

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 18 July 2025 and signed on its behalf by:

DocuSigned by:  
  
 CA014645C88F4DF...  
**Chair**

Derek Lew

20-Jul-2025 | 07:57 PDT

**Defence Holdings Plc**  
**Independent Auditor's Report**  
**For the financial period up to 31 March 2025**

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**Opinion**

We have audited the financial statements of Defence Holdings PLC (the 'company') for the 18 months period ended 31<sup>st</sup> March 2025 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 ("UK-adopted IAS").

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its loss for the period 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 £1,277,000 during the 18 months period ended 31 March 2025 and, as of that date, the company's current liabilities exceeded its current assets by £652,000. 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 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 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 correspondence with the Financial Conduct Authority and board minutes;
- Enquires of management as to their knowledge of events or conditions beyond the period of management's assessment that could have cast significant doubt on the entity's ability to continue as a going concern;
- Checked that going concern disclosures were appropriate and sufficient.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability as a going concern.

**Defence Holdings Plc**  
**Independent Auditor's Report**  
**For the financial period up to 31 March 2025**

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**Overview of our audit approach**

Our audit was scoped by obtaining an understanding of the company and its environment, including the company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

**Materiality**

- Overall materiality for the financial statements - £87,000 based on 2% of revenue
- Performance materiality - £44,000 based on 50% of the overall materiality

**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters 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.

The use of the Going Concern basis of accounting was assessed as a key audit matter and has already been covered in an earlier section of this report. The other key audit matter identified is described below.

Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue recognition – the risk of fraud in revenue recognition (presumed ISA 240 risk) and risk of misstatement due to error.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>• Assessed whether the revenue recognition policy is in accordance with UK-adopted IAS;</li> <li>• Obtained 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 designed and implemented effectively in the period under audit;</li> <li>• Reviewed all key sponsorship agreements, ensuring revenue has been recognised in line with the performance obligations, underlying agreements and recorded in the correct accounting period</li> <li>• On a sample basis, performed substantive testing of revenue by agreeing income to invoices and bank payments;</li> <li>• Verified the revenue disclosures in the financial statements and ensure these are complete, accurate and comply with the appropriate accounting standards.</li> </ul> <p>Based on audit procedures above, nothing has come to our attention that causes us to believe that any material misstatement is present in respect of the recognition of revenue in the financial statements in accordance with the company's accounting policy and the requirements of the accounting standards.</p>

**Defence Holdings Plc**  
**Independent Auditor's Report**  
**For the financial period up to 31 March 2025**

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**Our application of materiality**

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

When calculating the materiality we have taken the following into account:

- The company is a traded entity regulated by FCA, which has relevant regulatory and compliance requirements. The main users of the financial statements are the shareholders and the regulatory bodies.
- The company has been incurring losses since incorporation and sold its esports business before the period end.

Therefore, we considered revenue being the most appropriate benchmark due to the ceased trading activity of the company in the period under audit and the disposal of all material assets and liabilities before the period end.

	<b>Revenue</b>
<b>Overall materiality</b> The total of any proposed unadjusted misstatements should not exceed the total materiality for the financial statements as a whole.	£87,000
<b>Basis for determination</b>	2% of revenue
<b>Rationale for benchmark applied</b>	Revenue and the percentage have been used as an industry practice, also considering the company disposed of its material assets and liabilities before the period end.
<b>Performance materiality</b> (50% of overall).  This is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits. PM has been set up at 50% due to this being our first year audit and is expected to increase to 75% in future years.	£44,000
<b>Clearly trivial threshold</b> (5% of overall materiality)  This de minimums amount is considered when deciding whether to propose an audit adjustment. Any corrected or uncorrected misstatements above this threshold are reported to the Board Audit and Compliance Committee.	£4,400
<b>Qualitative misstatements</b>	We assess materiality not only quantitatively but also qualitatively. Determining materiality involves the exercise of judgment and there are sensitive areas, in respect of which our materiality assessment is more qualitative. Such areas include but are not limited to key management and directors' remuneration, related party transactions, and material non-compliance with applicable laws and regulations.

**Defence Holdings Plc**  
**Independent Auditor's Report**  
**For the financial period up to 31 March 2025**

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**The control environment**

We evaluated the design and implementation of those internal controls of the company which are relevant to our audit, such as those relating to the financial reporting cycle.

**Climate-related risks**

In planning our audit and gaining an understanding of the company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation and reports relating to management's assessment. We have agreed with managements' assessment that climate-related risks are not material to these financial statements.

**Reporting on 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the 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 based on these responsibilities.

**Strategic report and directors report**

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 period ended 31 March 2025 is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

**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 recognized. 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Other matter**

The company's financial statements for the year ended 30 September 2023 were audited by another auditor who expressed an unmodified opinion on these statements on 31 January 2024.

### **Other requirements**

We were appointed by the directors on 3 June 2025. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 1 year.

We confirm that we are independent of the company and have not provided any prohibited non-audit services, as defined by the Ethical Standard issued by the Financial Reporting Council as applied to listed entities, and we have fulfilled our ethical responsibilities in accordance with these requirements.

Our audit report is consistent with our additional report to the Audit Committee explaining the results of our audit.

### **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.

Signed by:



20-Jul-2025 | 10:10 BST

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**Filip Lyapov** (Senior Statutory Auditor)

for and on behalf of Zenith Audit Ltd

Statutory Auditors

1st Floor, 18 Devonshire Row, London EC2M 4RH

**DEFENCE HOLDINGS PLC****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 18 MONTHS ENDED 31 MARCH 2025**

	NOTE	18 Months ended 31-Mar-2025 (£'000)	Year ended 30-Sep-2023 (£'000)
<b>Continuing Operations</b>			
Revenue	3	4,334	5,525
Cost of sales	4	(1,202)	(1,538)
<b>Gross profit</b>		<b>3,132</b>	<b>3,987</b>
Administrative expenses	4	(5,191)	(7,397)
Depreciation & amortization		(871)	(844)
<b>Operating loss</b>		<b>(2,967)</b>	<b>(4,254)</b>
Finance cost	8	(242)	(243)
Gain on sale of assets		2,106	-
Realised currency gain		4	-
<b>Loss before taxation</b>		<b>(1,042)</b>	<b>(4,497)</b>
Taxation	7	(235)	-
<b>Loss after taxation</b>		<b>(1,277)</b>	<b>(4,497)</b>
Other Comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		<b>(1,277)</b>	<b>(4,497)</b>
<b>Basic and diluted earnings per share (pence)</b>	9	<b>(0.17)</b>	<b>(0.82)</b>

The accompanying notes 1 to 26 form part of the financial statements.



**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2025**

	Note	As at 31 March 2025 £'000	As at 30 September 2023 £'000
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	10	-	1,452
Intangible assets	11	-	130
Right-of-use asset	12	-	3,046
Other receivables	13	-	143
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>4,771</b>
Cash and cash equivalents	14	69	459
Trade and other receivables	15	8	320
<b>TOTAL CURRENT ASSETS</b>		<b>77</b>	<b>779</b>
<b>TOTAL ASSETS</b>		<b>77</b>	<b>5,550</b>
<b>EQUITY</b>			
Share capital	19	805	622
Share premium	19	23,673	23,061
Share-based payment reserve	20	851	838
Retained earnings		(25,981)	(24,752)
<b>TOTAL EQUITY</b>		<b>(652)</b>	<b>(231)</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	18	-	346
Lease liability	12	-	2,781
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>3,127</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	494	1,526
Deferred revenue	17	-	707
Lease liability	12	-	421
Corporation tax payable		235	
<b>TOTAL CURRENT LIABILITIES</b>		<b>729</b>	<b>2,654</b>
<b>TOTAL LIABILITIES</b>		<b>729</b>	<b>5,781</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>77</b>	<b>5,550</b>

The accompanying notes 1 to 26 form part of the financial statements.

The financial statements were approved by the board on 18 July 2025 by:

Derek Lew, Non Executive Chairman

**DEFENCE HOLDINGS PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 18 MONTHS ENDED MARCH 31, 2025**

	Share Capital (£'000)	Share Premium (£'000)	SBP Reserve (£'000)	Retained Earnings (£'000)	Total Equity (£'000)
<b>As at 1 October 2022</b>	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 cost during the year	-	(102)	-	-	(102)
Total transactions with owners	103	417	188	-	708
<b>As at 30 September 2023</b>	622	23,061	838	(24,752)	(231)
Loss for the period	-	-	-	(1,277)	(1,277)
Total Comprehensive loss for the period	-	-	-	(1,277)	(1,277)
Shares issued during the period	183	647	-	-	830
Share-based payments	-	-	237	-	237
Exercised and lapsed warrants	-	-	(224)	48	(176)
Share issue cost during the period	-	(35)	-	-	(35)
Total transactions with owners	183	612	13	4	856
<b>As at 31 March 2025</b>	805	23,673	851	(25,981)	(652)

The accompanying notes 1 to 26 form part of the financial statements

STATEMENT OF CASHFLOW

FOR THE 18 MONTHS ENDED 31 MARCH 2025

		18 Months ended 31-Mar-2025 £'000	Year ended 30-Sep-2023 £'000
	Note		
<b>Cash flow from operating activities</b>			
<b>Loss for the financial period/year</b>		<b>(1,042)</b>	<b>(4,497)</b>
<i>Adjustments for:</i>			
Lease liability finance charge	8	211	243
Amortisation & impairment of intangibles	11	72	90
Depreciation (property, plant, equipment)	10	326	300
Depreciation (right-of-use assets)	12	453	453
(Gain)/Loss on disposal of assets	3.1	(2,106)	5
Share-based payments (warrants)	20	61	188
Changes in working capital:			
Decrease/(increase) in trade receivables		455	3,641
(Decrease)/increase in trade payables		1,059	(1,875)
(Decrease)/increase in deferred revenue		-	(611)
<b>Net Cash Used in Operating Activities</b>		<b>(511)</b>	<b>(2,063)</b>
<b>Cash Flow from Investing Activities</b>			
Purchase of property, plant, equipment	10	(47)	(205)
<b>Net Cash Used in Investing Activities</b>		<b>(47)</b>	<b>(205)</b>
<b>Cash Flow from Financing Activities</b>			
Proceeds from share issuance (net)	19	795	520
Payment of provisions		(346)	-
Payment of lease liabilities	12	(281)	(523)
<b>Net cash generated from/(used in) financing activities</b>		<b>168</b>	<b>(3)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(390)</b>	<b>(2,271)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>459</b>	<b>2,730</b>
<b>Cash and cash equivalents at end of the period</b>	14	<b>69</b>	<b>459</b>

The accompanying notes 1 to 26 form part of the financial statements

## 1 GENERAL INFORMATION

Defence Holding PLC is a public limited company incorporated in England and Wales and domiciled in the United Kingdom. The registered office is 72 Charlotte Street, London, England, W1T 4QQ (2023: 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 to " Guild Esports Plc" on 17 April 2020, then "Cassel Capital Plc" on 28 January 2025 and then "Defence Holdings Plc" on 19 May 2025.

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 2023. 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 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 provided that the £3.45m fundraise is received following the approval of the prospectus by the FCA. 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 should the committed £3.45m funding not be received. The funding is committed and is conditional on the new shares being admitted to trading on the London Stock Exchange, which requires a prospectus to be approved by the FCA which is in progress. 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.

### 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 Defence Holdings. 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 the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

**DEFENCE HOLDINGS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS FOR**  
**THE 18 MONTHS ENDED 31 MARCH 2025**

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## **2.8 Financial assets**

*Financial assets are recognised in the Company's statement of financial position when the Company becomes party to*

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 at fair value through profit or loss*

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

*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.

*Financial assets at fair value through other comprehensive income*

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the Company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

*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 party.

## 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;
- 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 £nil (2023: £81,897) 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 provided 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 or 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 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

### New standards and amended standards

The following new standards or amendments to existing standards were adopted as endorsed by the UK Endorsement Board (UKEB) with effective date 1 January 2024 for the first time but had no material impact on the financial statements.

- ☐ Lease liability in a sale and leaseback transaction (Amendments to IFRS 16)
- ☐ Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)
- ☐ Disclosures: Supplier Finance Arrangements –(Amendments to IAS 7 and IFRS 7)

### Future accounting developments

The following accounting standards have been issued by the IASB and endorsed by the UKEB but are not yet effective.

- ☐ Lack of exchangeability (Amendments to IAS1)
- ☐ Classification and Measurement of Financial Instruments (Amendments to IFRS9 and IFRS7)
- ☐ Annual Improvements to IFRS Accounting Standards- Volume 11
- ☐ Power Purchase Agreements (Amendments to IFRS 9 and IFRS 7)

IFRS 18 - Presentation and Disclosure in Financial Statements and IFRS 19 - Subsidiaries without Public Accountability: Disclosures are not yet endorsed by UKEB.

The Company is currently assessing the impact of these amendments, however the impact to the Company financial reporting is not expected to be material..

**DEFENCE HOLDINGS PLC****NOTES TO THE FINANCIAL STATEMENTS FOR  
THE 18 MONTHS ENDED 31 MARCH 2025****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.

	<b>18 Months ended 31 Mar 2025</b>	<b>Year ended 30 Sep 2023</b>
<b>Revenue analysed by class of business</b>	<b>£'000</b>	<b>£'000</b>
Sponsorship revenue - over time*	2,217	3,823
Sponsorship revenue - point in time	-	35
Events	199	-
Guild Studios - point in time	1,454	259
Prize money - point in time	277	1,026
Other revenue - point in time	187	382
	<b>4,334</b>	<b>5,525</b>

\*2025:Sky 90% / Hummel 2% / Subway 8% (2023: Sky 39% / Bitstamp 35% / Subway 16%)

	<b>18 Months ended 31 Mar 2025</b>	<b>Year ended 30 Sep 2023</b>
<b>Revenue analysed by geographical market</b>	<b>£'000</b>	<b>£'000</b>
UK	3,787	2,079
EMEA	511	2,479
USA	36	967
	<b>4,334</b>	<b>5,525</b>

**3.1 GAIN ON SALE OF ASSETS**

In October 2024, the company completed the disposal of all esports-related operations, assets, and associated liabilities to DCB Sports LLC. This transaction removed over £2 million in liabilities from the balance sheet and generated £100,000 in cash proceeds.

**DEFENCE HOLDINGS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 18 MONTHS ENDED 31 MARCH 2025**

**4 OPERATING COSTS AND ADMINISTRATIVE EXPENDITURE**

	<b>18 Months ended 31 Mar 2025 £'000</b>	<b>Year ended 30 Sep 2023 £'000</b>
<b>Cost of Sales</b>		
Player prize money	(271)	(883)
Sponsorship direct costs	(171)	(477)
Studio direct cost	(693)	-
Other direct costs	(67)	(178)
<b>Total Cost of Sales</b>	<b>(1,202)</b>	<b>(1,538)</b>
<b>Administrative Costs</b>		
Directors fees	(527)	(353)
Esports/content creator costs	(798)	(1,099)
Ambassador fees	(161)	(1,750)
Academy costs	(474)	(197)
Legal/professional fees	(192)	(284)
Marketing/promotion	(685)	(588)
Staff/operations	(2,293)	(2,938)
Share-based payments	(61)	(188)
<b>Total Administrative Costs</b>	<b>(5,191)</b>	<b>(7,397)</b>

## 5 AUDITORS REMUNERATION

18 Months ended 31 Mar 2025	Year ended 30 Sep 2023
£'000	£'000

Fees payable to the Company's auditor for the audit of the Company financial statements

24 34

**24** **34**

## 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:

18 Months ended 31 Mar 2025	Year ended 30 Sep 2023
--------------------------------	---------------------------

£'000 £'000

Wages and salaries	1,523	1,605
Social security	178	185
Pension costs	25	24
Share-based payments	61	188
	<b>1,787</b>	<b>2,002</b>

Settlement and termination agreements during the period amounted to £nil (2023: £15,925), included within the totals above.

18 Months ended 31 Mar 2025	Year ended 30 Sep 2023
--------------------------------	---------------------------

£'000 £'000

Directors' remuneration and fees	525	316
Amounts paid in respect of departure agreement	-	12
Company pension contributions to defined contribution schemes	2	2
	<b>527</b>	<b>330</b>

The highest paid director received remuneration of £ 214,615 (2023: £137,050) including pension contributions of £ 1,430 (2023: £550).

On average, including non-executive directors, the Company employed 37 staff members (2023: 32) of which 6 were in management positions (2023: 6).

### Gender Analysis as at 31th Mar 25

Male Female

Directors	2	-
	<b>2</b>	<b>-</b>

**DEFENCE HOLDINGS PLC****NOTES TO THE FINANCIAL STATEMENTS FOR  
THE 18 MONTHS ENDED 31 MARCH 2025****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:

	<b>31 Mar 2025</b>	<b>30 Sep 2023</b>
	<b>£'000</b>	<b>£'000</b>
The charge for year is made up as follows:		
Corporation tax for the year	(235)	-
Reconciliation of the tax charge appearing in the income statement to the loss that would result from applying the standard rate of tax to the results for the year is:		
Loss before tax	(1,042)	(4,497)
Tax credit at the weighted average of the standard rate of corporation tax in UK of 25% (2023: 22%)	261	(989)
Impact of costs disallowed for tax purposes	(114)	276
Unutilised tax losses carried forward	(147)	713
Capital gains tax	(235)	-
<b>Corporation tax charge for the year</b>	<b>(235)</b>	<b>-</b>

The Company has total carried forward losses of £25,806,248 (2023: £25,227,773) 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.

**8 FINANCE COSTS**

	<b>31 Mar 2025</b>	<b>30 Sep 2023</b>
	<b>£'000</b>	<b>£'000</b>
Finance charge on leased assets	(211)	(243)
Finance charge-others	(31)	-
	<b>(242)</b>	<b>(243)</b>

**9 EARNINGS PER SHARE**

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

	<b>31 Mar 2025</b>	<b>30 Sep 2023</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the year from continuing operations (£'000)	(1,277)	(4,497)
Weighted average number of ordinary shares	764,005,927	547,596,540
<b>Basic EPS from continuing operations (pence)</b>	<b>(0.17)</b>	<b>(0.82)</b>

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.

**DEFENCE HOLDINGS PLC**  
**NOTES TO THE FINANCIAL**  
**STATEMENTS FOR THE 18 MONTHS**  
**ENDED 31 MARCH 2025**

**10 PROPERTY, PLANT AND EQUIPMENT**

<b>2025</b>	<b>Office Equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>			
At 31 September 2023	602	1,235	1,837
Additions	-	47	47
Disposals	(602)	(1,282)	(1,884)
At 31 March 2025	-	-	-
<b>Depreciation</b>			
At 30 September 2023	(246)	(139)	(385)
Charge for the period	(199)	(127)	(326)
Disposals	445	266	711
At 31 March 2025	-	-	-
Net book value at 30 September 2023	356	1,096	1,452
<b>Net book value At 31 March 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2023</b>	<b>Office Equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>			
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
<b>Depreciation</b>			
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
<b>Net book value at 30 September 2023</b>	<b>356</b>	<b>1,096</b>	<b>1,452</b>

## 11 INTANGIBLE ASSETS

	2025	Website costs £'000	Total £'000
<b>Cost</b>			
At 30 September 2023		280	280
Additions		-	-
Disposal		(280)	(280)
At 31 March 2025		-	-
		<b>Website costs £'000</b>	<b>Total £'000</b>
<b>Amortisation &amp; impairment</b>			
At 30 September 2023		(150)	(150)
Charge for the period		(72)	(72)
Disposal		222	222
At 31 March 2025		-	-
<b>Carrying amount</b>			
Net book value at 30 September 2023		130	130
<b>Net book value At 31 March 2025</b>		-	-
	<b>2023</b>	<b>Website costs £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 30 September 2022		280	280
Additions		-	-
At 30 September 2023		280	280
		<b>Website costs £'000</b>	<b>Total £'000</b>
<b>Amortisation &amp; impairment</b>			
At 30 September 2022		(60)	(60)
Charge for the year		(90)	(90)
At 30 September 2023		(150)	(150)
<b>Carrying amount</b>			
Net book value at 30 September 2022		220	220
<b>Net book value at 30 September 2023</b>		<b>130</b>	<b>130</b>

## 12 LEASES

The Company had the following lease assets and liabilities:

		31 Mar 2025 £'000	30 Sep 2023 £'000
<b>Right-of-use assets</b>			
	Properties	-	2,688
	Equipment	-	358
		-	<b>3,046</b>
<b>Lease liabilities</b>			
	Current	-	421
	Non-current	-	2,781
		-	<b>3,202</b>

Total cash outflow in relation to leases for the period/year was £280,964 (2023: £523,317).

### Right-of-use assets

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

		31 Mar 2025 £'000	30 Sep 2023 £'000
<b>Right-of-use assets</b>			
Properties			
	Carrying balance	2,688	3,010
	Additions in period	-	9
	Depreciation	(331)	(331)
	Disposal	(2,357)	-
		-	<b>2,688</b>
Equipment			
	Opening balance	358	447
	Additions	-	33
	Depreciation	(122)	(122)
	Disposal	(236)	-
		-	<b>358</b>
	<b>TOTAL</b>	-	<b>3,046</b>

### Lease liabilities

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

		31 Mar 2025 £'000	30 Sep 2023 £'000
<b>Lease liabilities</b>			
	Opening balance	3,202	3,463
	Additions	-	42
	Payment made	(281)	(523)
	Finance charge	211	220
	Disposal	(3,132)	-
		-	<b>3,202</b>



	31 Mar 2025 £'000	30 Sep 2023 £'000
<b><i>Maturity on lease liabilities</i></b>		
Current	-	614
Due between 1-2 years	-	604
Due between 2-5 years	-	1,076
Due beyond 5 years	-	1,836
	<b>-</b>	<b>4,130</b>

The Company also incurred expenses during the period/year of £nil (2023: £76,785) which related to leases that were either short term in nature (12 months or 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

	31 Mar 2025 £'000	30 Sep 2023 £'000
Rental deposit - property	-	143
	<b>-</b>	<b>143</b>

### 14 CASH AND CASH EQUIVALENTS

	31 Mar 2025 £'000	30 Sep 2023 £'000
Cash and cash equivalents	69	459
	<b>69</b>	<b>459</b>

### 15 TRADE AND OTHER RECEIVABLES

	31 Mar 2025 £'000	30 Sep 2023 £'000
Trade receivables	-	187
Accrued revenue	-	25
Prepayments	8	107
Other receivables	-	1
	<b>8</b>	<b>320</b>

## 16 TRADE AND OTHER PAYABLES

	31 Mar 2025 £'000	30 Sep 2023 £'000
Trade payables	68	1,102
Accruals	302	337
Social security and other taxation	-	81
VAT payable		94
Directors' loan	30	-
Other payables	-	6
	<b>494</b>	<b>1,526</b>

## 17 DEFERRED REVENUE

	31 Mar 2025 £'000	30 Sep 2023 £'000
Arising from sponsorship income	-	707
	<b>-</b>	<b>707</b>

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

## 18 PROVISIONS

	31 Mar 2025 Leasehold dilapidation £'000	30 Sep 2023 Total £'000
<b>2025</b>		
At 1 October 2023	346	346
Unwinding of discount	-	-
Adjustment	(346)	-
At 31 March 2025	<b>-</b>	<b>346</b>
As at 30 September 2023	346	346
<b>At 31 March 2025</b>	<b>-</b>	<b>346</b>
<b>2023</b>		
At 1 October 2022	323	323
Unwinding of discount	23	23
At 30 September 2023	<b>346</b>	<b>346</b>
As at 30 September 2022	323	323
<b>As at 30 September 2023</b>	<b>346</b>	<b>346</b>

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

	31 Mar 2025 £'000	30 Sep 2023 £'000
Issued and fully paid ordinary shares with a nominal		
Number of shares	804,984,029	622,317,362
Nominal value (£'000)	805	622

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Balance at 1 October 2023	622,317,362	622	23,061	23,683
Share issue <sup>1</sup>	182,666,667	183	612	795
Balance At 31 March 2025	<b>804,984,029</b>	<b>805</b>	<b>23,673</b>	<b>24,478</b>

<sup>1</sup>In December 2023 the Company completed a £580,000 fundraise, before direct costs, 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, as well as the Company's directors and executive management. The directors 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.

<sup>1</sup>In May 2024 the Company completed a £250,000 fundraise, before direct costs, by way of a share placing and subscription for 66,666,667 new ordinary shares at a price of £0.00375 per share.

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

<sup>1</sup>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 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 2023	838
Warrants issued in the period <sup>1</sup>	237
Warrants lapsed/expired during the period	(224)
Balance as at 31 March 2025	<b>851</b>

1

On 22 December 2023 the Company granted 20,000,000 warrants to staff and contractors. The warrants have an expiry date of 5 years from the date of agreement and an exercise price of 0.5 pence. The warrants vest immediately.

On 24 January 2024 the Company granted 16,350,000 warrants to staff, advisor, senior management and non executive directors. The warrants have an expiry date of 5 years from the date of agreement and an exercise price of 0.8 pence.

Warrants for non executive directors and advisor vest immediately and have no exercise conditions. 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	Expected dividends
22-Dec-23	20,000,000	£0.75	£0.005	95.44%	5	4.60%	0.00%
24-Jan-24	16,350,000	£0.725	£0.008	89.46%	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 31 March 2025	Exercisable at 31 March 2025
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
22-Dec-23	5 years from agreement	£0.005	20,000,000	20,000,000
24-Jan-24	5 years from agreement	£0.0048	6,350,000	1,000,000
			<b>91,015,562</b>	<b>91,015,562</b>

**As at 31 March 2025**

	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	3.3p	126,595,228
Lapsed during the year (warrants)	0.3p	(57,933,833)
Vested during the year	0.4p	44,274,306
Issued during the year	0.63p	36,350,000
Outstanding at the end of the year	2.8p	149,285,701
Exercisable at the end of the year	0.8p	91,015,562

## 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 (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. 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 £ nil (2023: £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

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
31-Mar-25	£'000	£'000	£'000
<b>Financial assets / liabilities</b>			
Trade and other receivables	-	-	
Cash and cash equivalents	69	-	69
Trade and other payables	-	(494)	(494)
Lease liabilities (current)	-	-	-
	69	(494)	(425)

	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
<b>Financial assets / liabilities</b>			
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)

## 23 CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

There were no capital commitments and contingent liabilities at 31 March 2025.

## 24 RELATED PARTY TRANSACTIONS

### 31 March 2025

During the period, the company had received and paid back loan from director amounting to £ 543,490 and £ 513,515 respectively.

### 30 September 2023

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

The company has pivoted to the defence space and has conditionally raised £3.45m.

## 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.