

CIC 34

Community Interest Company Report

For official use
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Please complete in typescript, or in bold black capitals.

Company Name in full	ESG Corporate Community Interest Company
Company Number	13566221
Year Ending	31/07/2023

(The date format is required in full)

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

ESG Gaming is incorporated as a not-for-profit with no share capital Community Interest Company (CIC). The Office of the Regulator of Community Interest Companies independently regulates us, and we strongly believe in reporting our governance and activities thoroughly and transparently, which goes far above the regulatory requirement. To illustrate this, we have a specific governance section on our website where the public can see all board meeting papers and minutes; our AGM papers, minutes and approved budgets; all our organisational policies, including our strategic risk assessment and conflict of interest register. We also transparently publish all our research, major funding proposals and reports of external scrutiny of ESG Gaming (such as our Investors in People, Pride 365, or B Corporation assessment reports). Finally, we publish our detailed CIC34 report annually and a comprehensive ESG Gaming branded annual review.

This director's report has been written to summarise our work from 01 August 2022 to 31 July 2023. In establishing ESG Gaming, focusing on innovation, gateway products and streams of unique research has been essential. We see much duplication in our sector, and we have spent considerable time in year two understanding how we might contribute meaningfully. ESG Gaming also is straddling the gambling, gaming and web3 spaces which are in keeping with our mission as passionate advocates of emerging technology. ESG Gaming is committed to working alongside the digital entertainment sectors to ensure the experience is open, inclusive and positive for all consumers and stakeholders.

Year two has been challenging, but we have made humbling progress around the three priority areas we identified in our strategic review in 2022.

Understanding our market

As with any start-up, the organisation has been focused on understanding where we might add value and what our core consumer markets should be. We have done this through conducting and commissioning academic research and a literacy review, particularly into gaming and web3. We have also undertaken and published our academically-led Theory of Change to help us critically understand the outputs and outcomes we seek to achieve from our products and how these will help ESG Gaming achieve its mission. This work has been completed in collaboration with Bournemouth University, and we are most grateful for their extended support in achieving this understanding.

Building organisational excellence

Building upon our organisational foundations has been a second priority. We are keen to model exemplary governance through our transparency and invite external scrutiny and feedback from various accreditation bodies and awarding organisations. Additionally, as the organisation starts to employ people, we also want to ensure we are putting the foundations in place to be an inclusive employer of choice. In year two, ESG Gaming's application to become a member of the Fundraising Regulator was accepted. We also achieved Investors in People accreditation, Pride 365 accreditation and signed the Armed Forces Covenant, Four Day Week, and Menopause Pledges.

We renewed our commitment to the Living Wage Foundation and became an Ecologi Climate Positive Employer. We became members of Crypto UK and the Metaverse Standards Forum. Finally, when writing this director report, we are at the final stages of becoming a recognised B Corp Certificated organisation.

Securing our financial future

Securing our funding has been a third priority. ESG Gaming is one of thirty-two organisations on the published Gambling Commission list that can accept Research and Prevention donations from UK-regulated gambling operators (widely referred to as the voluntary funding system). 100% of our income in year two has been received via this system. Moving forward, the Government is leading the creation of a statutory levy to replace this current voluntary system. With a broader mission, ESG Gaming seeks to broaden its income mix in year three by (i) continuing to seek donations in the final year of the voluntary system; (ii) seeking income from the GambleAware transition fund (iii) seeking income from gaming and technology businesses as part of their wider Corporate Social Responsibility approach and (iv) seeking income from the public through the creation of the ESG Gaming 100 Club.

Gracious, humble and kind leadership

Our directors are humble, gracious and thoughtful in their approach. We have big ambitions, an unwavering passion and a solid commitment to reducing gambling, gaming and tech harms and bettering society. However, we intend to execute this through an incredibly streamlined organisation, employing no more than at most six employees to epitomise and model value for money in our sector. Our directors have agreed that we will not take on any social or debt finance to establish ESG Gaming. We are embracing the challenge of establishing our organisation from a standing start. We feel there is nothing more rewarding than creating something from nothing.

We have published our governance handbook, which sets out how the work of ESG Gaming will be led, how we manage the effectiveness of directors and employees and the benefits our employees will receive. We have committed to having an employee pay ratio not exceeding 4:1 (£125,000 highest possible salary to a median salary of £31,250); 35 paid holidays which rises to 40 days based on length of service; Level Five Simply Health membership; the latest equipment for home working; the opportunity to study for a fully-funded Degree or Masters qualification at no cost to the employee and the opportunity to work overseas for up to four weeks a year.

Our approach to impactful products and purposeful research

ESG Gaming will initially develop, deliver, evaluate and share learnings from two products. Additionally, we will focus on two research themes only. This will enable us to maintain absolute focus in our start-up phase and fulfil our niche.

Product One: Consumer protection in Web3

Our vision is to create a dedicated consumer protection platform in Web3 aimed at consumers aged 18yrs and over and parents of younger consumers. The platform will educate consumers and parents on emerging Web3 technology, safer gambling, gaming, and safer consumption. To deliver this product, we are working with a range of partners.

Our Web3 platform will contain information on consumer mental & physical health; diet & nutrition; financial capability and in-game microtransactions; Non-Fungible Tokens and emerging tech; mindfulness; safer gambling and gaming, and links to support organisations.

The platform will feature both virtual and mix-reality. The initial build will be on a recognised platform, allowing us to undertake consumer testing and an academic evaluation of the pilot phase.

Our partners include Mishcon de Raye LLP and MDRx, whom are specifically supporting ESG Gaming to develop our strategy, which also includes scoping out the wireframe; sharing insight into how we might use Non-Fungible Tokens and the Blockchain for good; and how we might market to a B2C audience.

We are working with a platform provider to specifically deliver the build-out of the initial pilot platform for consumer testing and the hardware to access and showcase our platform externally. Bath Spa and Bournemouth Universities support ESG Gaming by conducting an initial literary review on gambling in Web3, producing a Theory of Change, consumer insight testing and evaluating the pilot platform.

Other partners include the Metaverse Standards Forum, who are supporting with Metaverse's integrity and ethics, best practice and development. The Blockchain Council provides learning opportunities and certification. Finally, ESG Gaming is a member of Crypto UK, the self-regulatory trade association for the UK crypto-asset industry, established to promote higher standards of conduct.

Product Two: Esports for Good

Working collaboratively with our partners, we will facilitate and academically evaluate several pilot esports education programmes for consumers aged 50 years and over. These programmes will have two aims: firstly, we want to understand if esports can specifically reduce discrimination, loneliness and poor mental and physical health among people aged 50 years and older. Secondly, we want to understand if esports can improve this population's cognitive abilities, such as memory, communication and reasoning.

ESG Gaming intends to pilot several programs through 2023/24 to build an evidence base of work in this area. The pilot programmes will consist of game basics, coaching from professionals, introduction to streaming, mindfulness, safer gaming, mental & physical health and conclude with a show-match. There will be a strong focus on in-person, social connection among participants so real-world friendships can be created to reduce loneliness. We will also bring together older and younger participants to build empathy and understanding between the generations.

Our partners include Esports Insider, who will provide the pilots with strategic insight and leadership and help us build upon other pilots globally.

Fraiser Esports will lead on the development and quality assurance of the overall programme. ESG Gaming is seeking external quality assurance from an awarding body for this programme during the pilot phase, a development that Fraiser Esports will support.

Lionscreed is an established, diverse and successful London esports team. Team members will help with the facilitation and coaching of the programme.

New Meta Gaming Arena in London will support the programme by hosting the pilots and creating a welcoming environment for participants.

Research theme one: Influencer-led gambling in gaming on streaming channels

The research priorities of ESG Gaming will be focused on emerging technology and gateway products.

This first research theme explores the behavioural (e.g. gambling activity) and environmental/technological (e.g. group and platform factors) characteristics of influencer-led gambling in gaming on streaming channels through both academic & lived-experience research. This research would extend the current emerging literature on the role of gambling-type behaviours in gaming and streaming.

A mixed method approach of qualitative and quantitative methods would be applied to understand the following characteristics of influencer-led gambling in gaming on streaming channels: i) Behavioural (e.g. gambling activity); ii) Environmental (e.g. social/group factors); and iii) Technological (e.g. platform factors).

To explore these characteristics, three research themes are proposed:

- Explore how these characteristics manifest in the content and across the different streaming platforms. The qualitative content analysis of current influencers, including gambling in streaming channels, will be analysed with the three characteristics listed above.
- The quantitative approach would explore consumers' experiences through online questionnaires. The questions would include gaming, gambling, and streaming behaviour.
- Explore how these characteristics manifest in the content and across the different streaming platforms. The qualitative content analysis of current influencers, including gambling in streaming channels, would be analysed with the three characteristics listed above.

Research theme two: The transition of gaming and gambling to Web3

Research theme two will consider future developments in gaming and gambling, including risks, challenges, and opportunities. Such as looking back and forward to technological development, platform participation and customer & platform behaviour.

A synthesis would be created, with potential recommendations around safeguarding customers based on customer behaviours and trends. Finally, we would undertake a literature review and content analysis to collate information about:

- Web2 and Web3 gambling - future trends
- The specific challenges, risks and opportunities for customers, operators and regulators.
- Context and examples of gaming and gambling on emerging platforms.
- Other activities in Web3 to compare to gaming and gambling.

This research aims to understand:

- The differences between Web2 and Web3 gambling, including some specific risks and challenges for Web3 and customer opportunities in gaming and gambling.
- An analysis of the specific Web3 gambling features, platforms, activities and experiences related to risks, challenges, and opportunities for customers, in the context of gaming and gambling.
- Considerations of the different types of customers, customer awareness, and how this might influence the challenges, risks and opportunities in gaming and gambling.
- Considerations of the different types of customers, the customer awareness, and how this contrast between the context of gaming and gambling with other Web3 activities and platforms (i.e. does gambling pose specific, similar or different risks and opportunities).

What we have done in year two

ESG Gaming was incorporated on 13 August 2021 as a not-for-profit company limited by guarantee. On 05 November 2021, the legal structure was changed to a regulated not-for-profit and with no share capital Community Interest Company (CIC). This change was made as we sought additional regulatory oversight to underline our commitment to deliver our activities in a way where no profit (surplus) is distributed to individuals (shareholders). Instead, with approval from the CIC Regulator, we plan on donating up to 25% of our profit (surplus) to charities and community organisations working in the gaming and Web3 space annually. The remainder 75% of our profit (surplus) will be retained and reinvested into our mission.

Here is a top-level summary of what we achieved in year two to strengthen our foundations:

- Secured and banked £310,980 in donations (up from £95,000 in 2021/22).
- Secured £42,900 in pro bono support (up from £18,437 in 2021/22).
- Secured £161,000 of pledged income for year three (up from a forecast of £150,000 of pledged income for 2021/22).
- Published our first academic research paper and Theory of Change.
- Achieved Investors in People and Price 365 accreditations.
- Commenced B Corp Certification.
- Become an organisation regulated by the Fundraising Regulator
- Partnered with Ecologi to off-set our carbon emissions and planted 100 trees
- Signed the Armed Forces Covenant and Menopause Pledge.
- Secured a regulatory settlement from the Gambling Commission to undertake an extensive research project
- Agreed the terms with commercial web3 partners to develop the build of our platform.
- Reviewed and published our governance handbook, all operational policies and board meeting papers
- Partnered with six event companies to host ESG Gaming at six industry events.
- Met with 132 stakeholders from different sectors.
- Consulted on the initial Enabling Plan and facilitated customer insights workshops, refining our vision, mission and values.

ESG Gaming has a Governance tab on its main website, where all Governance documents, board meeting papers, outcomes of external scrutiny (such as Investors in People, Pride 365 or B Corp) and AGM papers are published transparently for the public. ESG Gaming has also published principle operating policies.

Completed and accepted by the board at the AGM on 21 August 2023.

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – *Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.*

ESG Corporate Community Interest Company has a wide range of stakeholders. These range from statutory and regulatory stakeholders to ensure transparency and governance; our funders and the general public / consumers of our products. We have provided a list as below of our principle stakeholders whom we have engaged with in the year, the reason for the engagement and the outcome.

Stakeholder	Reason for engagement	Outcome
Gambling Commission	Reporting RET donations for public publication and a proposal for funding via the regulatory settlement grant round.	Reported and grant secured
Information Commissions Office	Re-registration	Registered
Investors in People	Gain accreditation	Achieved
Pride 365	Gain accreditation	Achieved
Social Enterprise UK	Membership	Members
Natwest Bank	On going banking support	Bank account established
Pleo	On going banking cards	Pleo account established
Markel Direct	Arrange insurance	Insurance in place
HMRC	Statutory requirement for HMRC, D11 & VAT returns	Registered and returns in place
Intellectual Property Office	Trade Mark registration	Trade Mark granted
Licensed Gambling Operators	Secure RET funding	Funding secured
Four Day Week Campaign	Join campaign	Member
Crowe U.K. LLP	Accountants & year-end preparation	Nominated accountants
Delivery Partners	Delivery of products	Engaged partners
Bournemouth University	Scope research and theory of change work	Work published
Public	Insight in to products	Insights gained
City & Guilds	Assurance & Accreditation	Working towards assured
Crypto UK	Membership	Members
TrustLaw	Legal support	Nominated lawyers
Living Wage Foundation	Membership	Member
Tech companies	Support with product build	Nominated suppliers
Events Companies	Support with a stand for ESG Gaming & speaking opportunities	Secured
Esports teams and associated organisations	Broaden knowledge of esports and gaming	Joint funding proposals and to gain knowledge and insight.

Fundraising Regulator	Secure membership	Membership gained
Technology Infrastructure organisations	Secure membership or insight	Membership and insights gained
B Corporation	Secure B Corp certification	In progress

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS’ REMUNERATION – *if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director’s loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.*

The highest-paid director (P L Willows) received a remuneration of £89,993 Gross for the period 01 August 2022 – 31 July 2023 and is employed full-time within ESG Gaming. The board agreed that the maximum salary for this post is £125,000, which is fixed until 31 July 2025. This payment was for the full-time role of Exec Chair & Founder, which was undertaken by a director. Between 14 August 2021 – 31 July 2022, this post holder drew down a salary of £900 Gross.

Other directors at ESG Gaming drew honorariums as follows: £4,500 Gross (C Jones) / £6,000 Gross (S Cooke) and £500 Gross (P Romero). These were agreed honorarium payments for the role of Non-Executive Directors (NEDs). The board have agreed NEDs can draw down £250pcm, with additional payments made for work over and over their fiduciary roles. Between 14 August 2021 – 31 July 2022, these directors did not draw any honorarium.

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

No transfer of assets other than for full consideration has been made

(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY (Please note this must be a live signature)

(DD/MM/YY)

The original report must be signed by a director or secretary of the company

Signed

Date

Please note that it is a legal requirement for the date format to be provided in full throughout the CIC34 report.

Applications will be rejected if this information is incorrect.

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

ESG Corporate Community Interest Company	
124 City Road	
London	
EC1V 2NX	Tel 0203 488 5227
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

(N.B. Please enclose a cheque for £15 payable to Companies House)