GAMES WORKSHOP GROUP PLC

Annual report 2022

FINANCIAL HIGHLIGHTS

	2022	2021
	£m	£m
Core revenue	**386.8**	353.2
Licensing revenue	**28.0**	16.3
Revenue	**414.8**	369.5
Revenue at constant currency	**418.6**	369.5
Core operating profit	**131.7**	136.7
Licensing operating profit	**25.4**	15.0
Operating profit	**157.1**	151.7
Operating profit at constant currency	**161.5**	151.7
Profit before taxation	**156.5**	150.9
Net increase in cash - pre-dividends paid	**79.3**	93.4
Earnings per share	**391.3p**	372.7p
Dividends per share declared in the period	**235p**	235p
Dividends per share paid in the period	**285p**	185p

See the glossary on page 84 for details on the alternative performance measures (APMs) used by the Group. Where appropriate, a reconciliation between an APM and its closest statutory equivalent is provided.

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CHAIR'S STATEMENT

Our purpose remains unchanged. We design, make and sell the best fantasy miniatures in the world, to engage and inspire our customers, and to sell our products globally at a profit. Our decisions are focused on long-term success, not short-term gains - 'forever' is an important word to us. We know that to achieve our ambition to be around forever, running the company that we love, we have to have a responsible and principled approach in our dealings with all of our stakeholders - our colleagues, customers, shareholders, suppliers, local neighbourhoods and the world in which we live.

This year we have built upon the good progress we made in previous years, spending more board time focused on ensuring effective engagement with and consideration of all of these key stakeholders. As a relatively new board team, we have been working together on establishing our position on things like key ESG and corporate governance principles and how these should apply to Games Workshop. From these agreed positions, we are building an action plan which will include deliverable and measurable priorities. Alongside this we are working with the executive to future proof the business. Some focus areas of our work this year include:

- Our customers - we were delighted to support the executives' proposal to invest in our webstore to improve customer experience online. The progress on improving our warehouse facilities should improve shipping times back to more normal levels;
- The environment - our work this year on gap analysis and scenario planning in readiness for TCFD reporting, supported by the recruitment of dedicated resource, positions us well; to help us set achievable science-based targets so that we can play our part in tackling the challenge of climate change;
- Our suppliers - our ongoing work on ethical sourcing and supply policies have ensured that we are promoting responsible manufacture throughout our supply chain alongside our commitment to ensuring modern slavery has no place within any of our operations;
- Our people - our executives have updated our global communication forum into quarterly department level meetings, which all of our non-executive directors are encouraged to attend by rotation. John Brewis has been appointed as the non-executive director responsible for developing a plan for effective board and employee engagement.

There are many big topics for us to discuss as a board and our work is ongoing. As we set out in some detail later in this annual report, we strive to ensure that our long-term approach is evident across all aspects of our business. We believe we have made great progress again this year and we will continue to update you on this in future annual reports and at our AGM.

I'm delighted that once again we are reporting outstanding results in our financial period ended 29 May 2022, with core revenue exceeding £386 million and profit before tax of £156 million. This performance is even more impressive because it has been delivered against a backdrop of the following ongoing global challenges:

- global inflationary pressures;
- the uncertainty arising from the current war in Ukraine; and
- the well publicised supply chain issues that all international businesses are facing.

These results continue to be a true testament to the leadership of our executive directors, to the strength of our operational team and to the resilience of our business model.

Overall, we invested £6 million in capital projects to support our growing business. We declared 235 pence per share in dividends totalling £77 million - in line with the prior year. We were delighted to distribute £10 million in cash as group profit share, equally to all our staff to recognise their significant role in delivering these results. We also paid some discretionary bonuses (like we do most years) in recognition of this performance. These payments were made entirely out of surplus cash generated. We continue to have no borrowings and to retain sufficient cash both to invest in future growth and to help protect the business against unforeseen risks and headwinds.

Our work on refreshing the composition of the board of the Company has continued this year. Finding great people has always been one of the biggest risks and challenges. We take our time to ensure that we run a process free from any bias and we hold our resolve to never compromise our high standards of cultural fit when assessing potential candidates. After an extensive search process starting in November 2021 and concluding in May 2022, we were delighted to welcome Randal Casson to the board from 1 July 2022, as an independent non-executive director and the chair of our audit and risk committee. Randal brings a wealth of experience of working as an audit partner with a wide range of Plcs and large private companies over his 30 year career at PwC, where he was most recently head of risk management in the audit practice for the Northern region in the UK.

Our work is not yet done. We continue to look forward and build our board for the future. We are currently recruiting for an additional non-executive director. I am very aware that in November this year I will have served nine years on the board at Games Workshop. I recognise personally the importance of observing good corporate governance. To this end, I have communicated to the board that following this next non-executive appointment and an appropriate period of induction for our new board members, I intend to ask the nomination committee to commence a search for my successor as chair and I do not anticipate standing for re-election at the 2023 AGM. I am very hopeful that my successor will come from within the existing pool of non-executive directors. I expect that all options will be considered. As is appropriate, I will not lead this recruitment process for the nomination committee, but I will lend support in any way I can. As previously, I will commit to ensuring we always have a quality team of non-executives to support our high performing executive directors. Ensuring we surround ourselves with those who are moral, ethical and quality obsessed, continues to be a key priority.

In the coming year, we plan to continue to focus on how we engage with our key stakeholders particularly around what we can credibly commit to in order to play our part for the environment; by investing further to continue to create a positive and inclusive workplace for our current and future staff; by promoting responsible manufacturing and supply chains; and by driving continuous improvement in our governance by clarifying our principles, confirming our position and establishing what this looks like for us as a public listed business operating on a global stage. We will also continue to invest to put our rich intellectual property in front of new audiences and to explore new product types designed to engage those beyond the tabletop market, encouraging them to get involved in the fantastical worlds of Warhammer. We are making progress on our major investments and we will continue to focus on delivering our capital operational and technology projects on time and within budget, which will future proof our great business. All of these plans will cost money and their value will only truly be known in future years, but we believe that by investing in these strong foundations we will continue to deliver on our commitment of 'forever' which we are sure is truly in the interests of all of our stakeholders.

Last year, we were disappointed not to host our AGM on site and to have to discourage your attendance in person. This year, we are delighted to welcome back our shareholders to our HQ in Nottingham.

Finally, in concluding, I would like to extend my sincere thanks:

- Firstly, to our executive directors and the entire Games Workshop global team. The team's performance and spirit has been second to none in ongoing challenging times.
- Secondly, to our loyal customers for continuing to engage in the Warhammer hobby in such a positive way. We will do our best to keep supporting and delighting you.
- Thirdly, to our shareholders for your ongoing support.

With kind regards

Elaine O'Donnell
Non-executive chair
25 July 2022

STRATEGIC REPORT

Strategy and objectives

Games Workshop is committed to the continuous development of our IP and making the Warhammer hobby and our business ever better.

Our ambitions remain clear: to make the best fantasy miniatures in the world, to engage and inspire our customers, and to sell our products globally at a profit. We intend to do this forever. Our decisions are focused on long-term success, not short-term gains.

Let me go through our strategy part-by-part:

The first element is that we make high quality miniatures. We understand that what we make may not appeal to everyone, so to recruit and retain customers we are absolutely focused on making our models the best in the world. In order to continue to do that forever and to deliver a decent return to our owners, we sell our miniatures for a price that we believe represents the investment in their quality.

The second element is that we make fantasy miniatures based in our endless, imaginary worlds. This gives us control over the imagery and styles we use, and ownership of the intellectual property ('IP'). Aside from our core business, we are constantly looking to grow our licensing income from opportunities to use our IP in other markets.

The third element is that we are customer focused. We aim to communicate in an open, fun way. Whoever and wherever our customers are, and in whichever way they want to engage with Warhammer, we will do our utmost to support them.

The fourth element is the global nature of our business. Our customers can be found anywhere, and we seek them out all over the world. They're a passionate bunch with an interest in science fiction and fantasy. They're collectors, painters, model builders, gamers, book lovers and much more. And while no two customers engage with Warhammer in exactly the same way, they're all deeply invested in the rich characters and settings of our IP.

To reach them, we have two key tools: our retail chain and our digital content. In retail, we showcase the Warhammer hobby and offer a fantastic customer experience. Our digital offering has never been richer. Through warhammer-community.com and social media we reach thousands of people every day, showing them the very best aspects of the Warhammer hobby and inviting them to join our global community of enthusiastic fans.

Our retail channel is supported by our own online store (it has the full range of our products) and our independent stockist and trade accounts across the world. These independent accounts do a great job supporting our customers in parts of the world where we either have not yet opened one of our stores or where it is not commercially viable for us to have one. Our long-term goal is to have all three channels (retail, trade and online) growing in harmony. We will always have more independent accounts than our own stores. Our strategy is to grow our business through geographic spread, growing all of the three complementary channels.

The fifth element is being focused on cash. By delivering a good cash return every year we can continue to innovate, surprise and delight our loyal existing customers and new customers with great products. To be around forever we also need to invest in both long-term capital and short-term maintenance projects every year, pay our staff what they have earned for the value they contribute and deliver surplus cash to our shareholders. Our dedication and focus should ensure we deliver on time and within our agreed cash limits.

We measure our long-term success by seeking a high return on investment. In the short term, we measure our success on our ability to grow sales whilst maintaining our core operating profit margin at current levels. The way we go about implementing this strategy is to recruit the best staff we can. We look for those with the appropriate attitude and behaviour a given job requires and for those who are aligned with our principles and who are quality obsessed. It is also important that everyone we employ has a real desire to learn the skills needed to do their job and has a great attitude towards change (there's never a dull moment here!). To support them, we offer all of our staff both personal development and skills training.

We continue to believe there are great opportunities for our business to grow, particularly in North America and Asia, the latter being on a longer timeframe.

Our brands
We have originated and are in control of a number of strong, globally recognised brands with their own identities, associations and logos.

Our key consumer facing brand is 'Warhammer'.

We design, make and sell products under a number of brands and sub-brands, which denote setting, tone and product type, the key ones being:

- Warhammer: Age of Sigmar - our unique fantasy setting
- Warhammer 40,000 - our most popular and recognisable brand is a space fantasy setting
- Horus Heresy - an offshoot of Warhammer 40,000, the Horus Heresy brand is presented as 'fictional history' of that universe

We believe our IP to be among the best in the world.

Strategy and objectives continued

Our brands continued

The Warhammer settings are incredibly rich and evocative backdrops. They're populated by more than three decades of fantastical characters and comprise thousands of exciting narratives. We are committed to making it easier than ever for people to discover, engage with and immerse themselves in our IP. Aided by a small, senior team we have already begun to find new partners, and new ways to help us bring the worlds of Warhammer to life like never before. Together, we'll continue to explore animation, live action and more. We'll present the very best aspects of our rich IP, delighting audiences while always ensuring we do no harm to our core miniatures business.

Business model and structure

We design, manufacture, distribute and sell our fantasy miniatures and related products. These are fantasy miniatures from our own Warhammer 40,000 and Warhammer: Age of Sigmar universes. We are an international business centrally run from our HQ in Nottingham, with 78% of our sales coming from outside the UK. We added a small dedicated factory, just for paint, which operationally went live in May and this, together with our two main factories, two warehouse facilities, design studios and back office support functions are all based in or near Nottingham.

Design

We design all of our products at our HQ in Nottingham. Employing 284 people, the design studio creates all the IP and all the associated miniatures, artwork, games and publications that we sell. Annually, these specialist staff produce hundreds of new sculpts, illustrations, rules, stories etc. enabling us to deliver new products every week and continue to keep our customers engaged and excited. In 2021/22 we invested £16.7 million in the studio (including software costs) with a further £5.7 million spent on tooling for new plastic miniatures. We are committed to investing in these areas at an appropriate level every year.

All of our plastic miniatures are branded as Citadel Miniatures, a mark with an unparalleled reputation for quality. It denotes both a style and level of detail that we apply to both our own worlds (Warhammer 40,000, Warhammer: Age of Sigmar, etc.) and those of others, e.g. Lord of the Rings.

Our resin miniatures, designed for more experienced customers, are branded as Forge World and are less widely available than their plastic counterparts.

Many customers love personalising their miniatures and our Citadel Colour paint range, brushes and accompanying painting system are designed to help everyone from the complete beginner to the most experienced painters in the world achieve great results. In the pursuit of ever better, we continually develop new types of paint and ways of using them. The result - our paints are used the world over. And for painting more than just our miniatures!

When not interacting with our miniatures, many customers enjoy reading stories set in our rich and immersive worlds. Under our Black Library imprint we publish new titles every year, from short stories and audio dramas through to full length novels and audio books. These we make available in physical bookstores, third party digital platforms and through our own retail and other specialist stores.

Manufacture

We are proud to manufacture our product in Nottingham. It's where we started and where we intend to stay.

Logistics

Our product is distributed from our main warehouse at our HQ or our new rented warehouse facility approximately 25 minutes away. These facilities supply our two hubs; one in Memphis, Tennessee and one in Sydney, Australia. Between these four facilities, we are able to directly supply our independent retailers, our own retail stores and fulfil our online orders.

Sell

Our core revenue is generated via three channels, our own stores 'Retail', third party independent retailers 'Trade' and our online store 'Online'. We also sell via our licensing partners. We support these channels and activities via our digital and marketing team.

Retail - our stores provide the focus for the Warhammer hobby in their geographical areas. Our stores only stock Games Workshop product. They are where we probably recruit the majority of our new customers. To do so, the stores don't offer the full range of our product, only starter sets, new release products and the appropriate extended range. At the period end, we had 518 of our own retail stores in 23 countries. Our stores contributed 23% of the year's sales. We have 400 single staff stores: small sites, each one operated by only one store manager. We also have 118 multi-staff stores, which, like our single staff stores, are constantly reviewed to ensure they remain profitable. If not, they will probably be converted to single staff stores.

Trade - we sell to third party retailers under closely controlled terms and conditions. Independent retailers are an integral part of our business model helping us to sell our products around the world and importantly in areas where we don't have our own stores. Games Workshop strives to support those outlets which help to build the Warhammer hobby community in their local areas. The bulk of our sales to independent retailers are made via our telesales teams based in Memphis and Nottingham. We also have small telesales teams in Sydney, Tokyo, Shanghai, Singapore, Hong Kong and Kuala Lumpur. In 2021/22 we had 6,200 independent retailers (2021: 5,400) in 72 countries. We strive to deliver excellent service, operating in 23 languages covering all time zones. 55% of our core revenue came from sales to independent retailers in the period reported. These sales are from their physical stores as well as their own online web stores.

STRATEGIC REPORT continued

Business model and structure continued

Sell continued

Online - sales via our own web stores accounted for 22% of total core revenue in 2021/22. All of our retail stores also have a web store terminal that allows our customers to access the full range from within the store. Our web stores are run centrally from our HQ.

Licensing - we grant licences to a number of carefully chosen partners. This allows us to leverage our IP to broaden the presence and brand exposure of Warhammer around the world, often entering new markets such as board games, apparel or accessories and media and entertainment. It also allows us to generate additional income. Currently, the majority of this income is generated by video games sales in North America, the UK and Continental Europe.

Marketing - keeps us customer focused. This team acts as the bridge between our other business areas, ensuring we have a joined up approach between product (design to manufacture) and sales. Marketing spends a lot of time listening and developing a two way dialogue with our customers to make sure we keep their needs at the forefront, championing the Warhammer hobby around the globe and injecting our content and communications with a real sense of passion and fun.

Structure

We control the business centrally from our HQ in Nottingham; it is where the majority of people with experience and knowledge of running our business work. I have put in place a flat structure: the people with senior responsibility that make all of the big decisions, report directly to me. My structure is now split into two teams: a core business team and a licensing business team.

The core business is split into five parts: product design and IP creation, manufacturing and supply chain, sales, marketing, and operations and support. Licensing is now split into two main areas: media and video games. I also have an executive assistant, who supports me, and *runs a team that supports the day to day running of the teams above.*

We have a global IP and product design director who is responsible for our design studios (miniatures, books and box games, specialist systems, Warhammer hobby product and our publishing business - Black Library). They work very closely with our new creative director who manages our licensing team. Together, they ensure any content that is produced, whether physical or virtual, truly represents our IP.

The responsibility for our retail chain is split between two retail territory heads, one for North America and Asia and one for the rest of the world. Our trade sales are the responsibility of a single head of trade sales. Our online store (our biggest store) is now the responsibility of our rest of the world retail manager, who also manages our biggest physical store, Warhammer World.

These sales channels are supported by a merchandising team, managed by the global manufacturing and supply chain director, and by the marketing team that sits under the group marketing manager. The global manufacturing and supply chain director also manages the factories and our four main warehouse facilities in Nottingham, Memphis and Sydney.

Our operations and support structure includes a chief financial officer for Games Workshop who is responsible for accounts, HR, legal and compliance and IT.

Key performance indicators

The board and management team use a number of key performance indicators to provide a consistent method of analysing performance, in addition to allowing the board to benchmark performance against our forecast. The key performance indicators utilised by the board can be split into key financial performance indicators and key non-financial performance indicators.

Our key financial performance indicators are:

Monthly and year to date core business sales growth by channel

This measures the core business sales growth achieved in each of our core channels on a monthly and year to date basis: see page 13.

Monthly and year to date core gross margin

This measures the core gross margin achieved on core sales after taking account of the direct costs and depreciation of manufacturing equipment and shipping our product to customers/stores on a monthly and year to date basis: see page 14.

Year to date core operating profit percentage

The ratio of core operating profit against core revenue, as a percentage: see page 14. This is considered to be a measure which reflects sales under our direct control.

Monthly and year to date core operating profit

This measures gross profit less operating expenses for the core business on a monthly and year to date basis: see page 14. This is considered to be a measure which reflects sales under our direct control.

Year to date licensing revenue

This measures licensing revenue earned from licensing: see page 13. This is a measure which reflects revenue which is not under our control.

Key performance indicators continued

Our key non-financial performance indicators are:
Number of own stores by territory
This measures the number of our own stores which is an indicator of our global reach: see page 14.

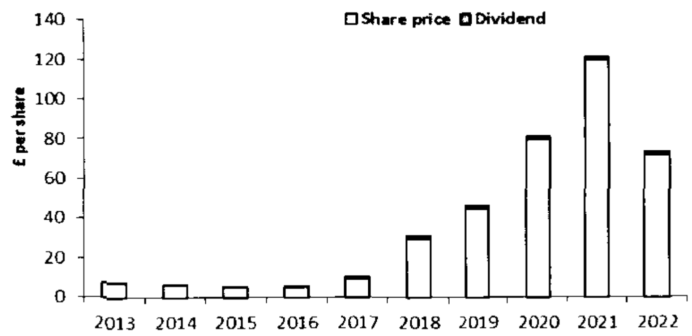
Number of ordering stockist accounts by territory
This measures the number of trade outlets that have ordered from us in the last six months. It is an indicator of our global reach and the health of our trade account base: see 'Trade' paragraph on page 5.

Customer engagement
We measure this through our owned content channel Warhammer-community.com and reach delivered through our social platforms: see page 11.

Shareholder value
We believe shareholder value is created, primarily, by not destroying it. We have no intention to acquire other companies, nor to dispose of any of those we own.

We return our surplus cash to our owners and try to do so in ever increasing amounts. A 'working cash buffer' of three months' worth of working capital requirement has been set aside alongside six months' worth of future tax payments before deciding how much cash is truly surplus for the purpose of declaring dividends.

Graph of shareholder value
Shareholder value for this graph is calculated as the price of our shares at period end plus the dividend per share declared in the period.



Review of the year
Another record year for Games Workshop - the business and the Warhammer hobby are in great shape. Another amazing team effort - thank you all!

Our annual report seems to get longer and longer and my job more and more bureaucratic (I have duties and obligations that may seem onerous and tiresome - they are not), however, one thing remains constant - we love Warhammer, and we continue to deliver on our strategy: to make the best miniatures in the world. Thanks again to our design to manufacture teams; the quality and product range have again been incredible, sales of our miniatures have grown for the seventh year in a row.

More Warhammer. More Often - core business
This year has been exceptional, we not only beat the record revenue of a Warhammer 40k launch year, we did it with some ongoing operational growing pains (thankfully reducing) and the additional cost pressures from Covid, Brexit and the war in Ukraine. As an international business, somewhere in our Group we are still feeling the emotional and financial pain of these - we hope the horrendous war in Ukraine ends soon. The light at the end of the tunnel was that as the year evolved, the impact from Covid significantly reduced.

We finished the year making up for what seems like some lost time on face to face collaboration, staff development, improving our processes and some team fun. We are still working on improving general morale to pre-Covid levels in some countries: we will be trying new ways to improve our communication and ongoing support at a local and global level in the new year. I got caught watching a little in Australia and Asia, sorry to our staff and customers. We had to reduce our service levels due to some of the lingering effects of Covid and international shipping challenges. I didn't do a great job managing expectations. It's a priority to put that right. Australia seems to be improving and we wait to respond to the ever changing announcements coming out of China. We have put in more regular Q&A sessions with our staff globally.

STRATEGIC REPORT continued

More Warhammer. More Often - core business continued
Morale is good but we are checking levels more often. We are more mindful that it's been a tough few years for most people. There has been lots of change. We put our staff at the heart of everything we do well, so to help monitor morale in a mostly post Covid world, we try to ensure that our business units always feel fully supported and are a fun place to work. We will do more to help foster a workplace that consists of people with our shared values and beliefs and ensure that everyone recognises that compassion towards each other and appreciation of individual efforts in a team help us deliver consistent results We champion diversity and equality: Games Workshop and the Warhammer hobby are for everyone.

As mentioned above, it has been a challenging year in parts; they all are these days. We are pragmatically getting used to this new normal and remain focused on delivering the day job. Whether that's full time at our sites or working remotely, our staff have delivered another fantastic year.

Most external factors affecting Games Workshop are not new. My best guess is losing Russia sales for a full year is c.£4 million lost in net revenue. Additional freight and carriage costs is c.2.4% of sales.

Major highlight:
Our relentless focus on producing the highest quality miniatures continues to deliver results. That combined with a customer focused approach helped us sell more miniatures than any year before.

Low point:
Stuff not in our control - Brexit has added £3.4 million of additional supply chain costs, we have an outstanding £11 million VAT receivable (a timing difference as we now pay VAT on entry to Europe and submit a reclaim) with the French tax authorities and we are trying to mitigate staff recruitment gaps especially those with language skills in the UK based European trade team. We look forward to the Brexit benefits promised.

The results: we have again delivered a consistent financial performance built on investing in the things that drive net cash generation. This is driven by making the best miniatures in the world supported by strict cost control and working capital management; ensuring we have sufficient cash to purchase the resources we need to give us the best chance of delivering our long term and short term goals and to pay a fair return to our shareholders and pay to our staff. We continue to pay our taxes and suppliers on time and we thank our trade accounts for paying us on time too. We continue to take some risks and we don't forecast too far out and are careful not to fool ourselves that forecasting too far out in time brings any certainty.

In line with our Group profit share scheme, we have paid in total £9.9 million (2021: £2.6 million profit share plus £10.6 million discretionary payment) to staff to further reward their exceptional performance in helping to increase our profitability in the period reported. Total dividends declared in the period were £77 million, 235 pence per share (2021: £77 million, 235 pence per share).

Some more detail:
In the year we have increased our design, factory and warehouse capacity - it's slightly late but it's always better to go live when we're ready rather than not. As a team we took the easy decision to pause our ERP project in January 2022 (we were not spending money wisely) while we delivered the final parts of the projects that add real value: our Memphis warehouse project, which I'm delighted to report has now gone live, and also phase one of our online webstore project started well and is on track to be completed later this year. That should ensure we are on a stable online platform. We will restart the ERP project again soon. I'm told it will be a project ongoing in the background for some time. I may have been more than a little optimistic to think otherwise. Our IT and support teams are doing a great job keeping things business as usual and have welcomed the break from the project. I'm sure they'll be refreshed and ready to go again later this year. Our new global head of IT will, I'm sure, be a breath of fresh air.

We continue to deliver through a multi-channel approach - our retail and trade channels were in growth again in the period reported. Most significant countries were in growth - with only Australia, China and Russia falling short.

Our online store broadly maintained the step change from £50 million in 2019/20 to £90 million delivered in 2020/21 and £85 million in 2021/22 and with retail and trade in double digit growth, I see that as a success (a reminder our online store does not offer a discount off the RRP, most trade accounts do).

Our retail stores continue to recover sales levels back to pre-Covid closure levels at different rates, more importantly for us, 92% of our own stores are profitable - proving again our low cost model is fairly robust.

Our trade accounts have supported us well during the year. We are delighted we have added more outlets in the most significant countries we trade in and continue to grow our export countries. We again thank them for their ongoing support and patience when our delivery service levels fell short. Our service levels are now very close to being back to normal levels.

More Warhammer. More Often – core business continued

As a team we care passionately about people and the world around us. Our people team, with the support from staff across the business, have been working on improving our induction programmes, staff development and checking our recruitment processes are free from any bias. We are also making good progress on ESG topics. I can see we are doing ever more to focus on topics like diversity and inclusion, delivering on our legal requirements and ensuring our suppliers meet industry ethical supply standards as well as our commitments on health and safety.

We are also committed to supporting best practice - there are lots of things to evaluate and the list grows every year. The key areas on our agenda: we are documenting a new science-based target approach to do what's in our control to keep global warming to below 1.5°C and looking at how we can reduce waste. I promise to report progress on those in our normal open and honest way. It will take some time for these to have a significant impact, however, we are absolutely committed to making progress. During the period we have started to recycle plastic - our granulator can take in finished goods and turn them back into raw materials. It's early days but a major step in the right direction.

Design

It's been another great year for IP development and miniature design at Games Workshop. Our extended team, up 21 in the year to 284, have mostly migrated back to the HQ. We will continue to strengthen our IP and miniatures creation teams, scouring the world for talent. It will be several years before these additional investments deliver their full return, but they are fundamental to our strategy of ensuring we deliver the best miniatures and IP in the world, forever. Over the last few years, we have been working towards offering a full experience of Warhammer to our key export territories: official translations and marketing support. We have made some great progress and await the chance to exploit these fully. Our in-house Chinese translation team is now fully operational and delivering under very challenging lockdown conditions. Our Russian translation team, based in the UK, is operational and working hard pending a wider decision about our future in Russia, although currently all trading is suspended.

After a great launch in July 2021, subsequent Warhammer: Age of Sigmar releases were affected by shipping delays meaning we lost some momentum. That said, Age of Sigmar remains in good shape and we have an exciting roadmap of releases going forward.

Warhammer 40,000 continues to perform. Our new style launch boxes are proving very popular with customers who want to buy everything new in a single purchase. The UK release of 'Imperium,' the Warhammer 40,000 magazine partwork, designed and made by us but sold and distributed by a licensing partner, was followed by successful launches in Spain, Germany and, a first for us, the US. It is proving another route into our hobby for both new and lapsed hobbyists.

The financial period closed with the release of Necromunda: Ash Wastes, adding more background and fantastic new models to one of our lesser known, but no less rich, IPs.

Painting is a hugely important part of our hobby for the majority of our customers and a key focus for us. Covid lockdowns slowed our paint development plans but next year will mark a step change in the pace at which we will develop the range.

Our monthly magazine 'White Dwarf' is again growing in readership and reach, now appearing on shelves of over 2,300 locations in the UK alone.

After a record performance last year, Black Library, our novel publishing division, struggled in the face of global supply disruption with many key new releases arriving later than planned. Underlying sales continue to grow, especially in the digital space, with sales of electronic and audio books exceeding those of physical for the first time ever.

The strategy of keeping customers engaged by broadening and deepening our offer sees us continue to invest in IP and design with studio payroll costs increasing by £1.1 million to £10.0 million; as a percentage of core revenue, they have fallen by 0.5% to 2.8%. This additional investment will allow us to broaden our miniatures range and provide additional intellectual property for exploitation through our licensing team.

Manufacturing

Our manufacturing team has for the seventh year in a row delivered record output. They continue to work on a 24/5 shift pattern and we are keeping our overtime to a minimum and leaving weekends for our staff to enjoy

Our manufacturing facilities and capabilities have continued to expand with the installation of more machinery in our UK factories enabling 2021/22 to be a year of record factory output. In total Factories 1 and 2 now operate 43 injection moulding machines (up 4 on last year) and these have enabled weekly volumes to regularly exceed record cycles per week. At the end of the period, we successfully opened a third Nottingham factory dedicated to paint production (note: to help you understand the scale it is 1,000 sqm versus our main Factory 1 at 5,500 sqm). Consolidating all paint production into this new specialised facility not only opens the door to greater efficiency, it also releases space within Factories 1 and 2 for future injection moulding growth.

CCC product safety registration for China continues in the background as our third party warehouse in Shanghai starts to reopen. We have had to pragmatically pause, in line with local government restrictions, any efforts on growing our hobby communities in this region. We will start as soon as we can.

STRATEGIC REPORT continued

More Warhammer. More Often – core business continued

Manufacturing continued

The land we purchased in 2020 near our Factory 2, will be cleared to get it ready for increasing space for packing, manufacturing, tooling or in the short term, car parking space. In the meantime, we are pursuing options for additional space close to our main HQ to allow us to begin the work on optimising our Factory 1 and Factory 2 space.

Production payroll costs rose in the year in line with volume with costs increasing by £2.0 million to £12.0 million, increasing to 3.1% of core revenue.

Warehousing

Another exciting year of investment at our main facilities. We have significantly increased our capacity in the year and by the end of summer 2022, we will have the best facilities Games Workshop has had, ever.

North America

The new systems and automation are fully operational. This brought immediate benefits enabling long standing order backlogs to be cleared. The investments we have made mean that the number of orders we can pick and dispatch each day has quadrupled. Customer orders that previously might have taken up to two weeks to dispatch will now typically be shipped within 24 hours (note: postal/shipping times remain two to four days depending upon destination and carrier). It's worth noting the new warehouse system still interfaces with our legacy IT systems, which continue to cause us daily operational processing challenges; thanks to our team most problems go unnoticed by our customers. We apologise for the poor customer service we offered for much of the year and are confident that with this milestone project now delivered, service will be much improved going forward.

UK

The East Midlands Gateway (EMG) distribution facility has been improving month on month since opening in July 2020. It continues to support our manufacturing process with storing components and distributing our major new releases. We are planning for a fully operational go live in summer 2022. It will mirror the technology and process we have been using successfully for six months at Memphis.

In a period of increasing scarcity and rising costs of short-term warehousing across the UK, the EMG facility has reduced our reliance on third party storage. Currently we have 13% (2020/21: 16%) of physical inventory offsite. Working closely with our haulage partner, our original Eurohub facility in Nottingham has been able to offer a markedly improved service to European customers shopping on games-workshop.com. Work to reconfigure and repurpose the original Eurohub facility to become our primary component facility is ongoing.

Australia

Global sea freight has remained highly disrupted and this has had a direct impact upon product availability and new miniature launches with 8% of our new releases delayed. There has been a slow and gradual improvement in availability and we expect this trend to continue. We look forward to our facility based in Sydney getting back to its normal rhythm in 2022/23.

Total warehousing costs have increased by £4.0 million to £20.3 million, the majority of the increase being staff costs; as a percentage of core sales they have increased from 4.8% to 5.2%.

Services

We continue to invest in the core support functions of the business.

During 2021/22 we have transitioned our staff to new ways of working with a mix of hybrid or office based working depending on the requirements of each job. We have improved the tools available to managers to manage their teams effectively by improving training, from IT security through to mental wellbeing, using our learning management system. We have expanded our health, safety and wellbeing function to 9 people, to ensure we look after everyone who works at Games Workshop in the best way possible.

Our IT team successfully transitioned our pre-Covid office based staff back to office based or hybrid working during the year. They have also worked alongside other business areas to help deliver the Memphis and EMG warehouse projects as well as the upgrade to the webstore.

As we discussed last year, we have continued our focus on ESG areas by appointing a senior manager to help bring all of our good work together and help move it forward.

Customer focused

Our goal remains to reach, engage and inspire Warhammer fans everywhere.

As lockdown eased, we returned to hosting physical location events. This return to getting together and celebrating all things Warhammer allowed us to make good on our promise to continue to support event organisers across the wider Warhammer community and enable thousands of new people to experience Warhammer for the first time. In the year, we engaged with around a thousand independent events helping them grow their local Warhammer community and giving our core customers more opportunities to enjoy their Warhammer collections.

More Warhammer. More Often – core business continued

Customer focused continued

We also attended many of the largest tabletop events in the world, interacting with tens of thousands of people through introductory Warhammer activities such as paint-and-take and demo games, and at these, we had some additional fun launching an all new location experience - Kill Team Live. This saw thousands of players take part in a specially created game of laser tag using custom blasters imitating those from the 41st millennium. Finally, the Golden Demon returned. This, our world-renowned painting competition which celebrates the modelling and painting aspect of Warhammer in all its glory. Not only was this the first Golden Demon since lockdown, but this was the first time we'd held the competition in the US for over a decade. Our fans in North America were delighted.

In the year we delivered more rich online content than ever before:

The Space Marine armouring vignette explored a seminal piece of our IP, our Kill Team trailer unveiled a range of new miniatures and propelled a new edition of our Warhammer 40,000 skirmish game to an exciting start, and the Horus Heresy trailer showcased the full spectacle of mass battle in the far future, announcing to our legion of fans that something special was coming this summer. These pieces of animated content racked up c. 9 million views on our own channels alone, to say nothing of the millions of views generated elsewhere through reposting, watch alongs etc. We think it is safe to say that Warhammer content has never been viewed more than it has this year.

Our goal is to give Warhammer fans a safe and welcoming online environment. We continue to focus our efforts on four of our own key spaces:

Warhammer Community

Warhammer-community.com remains the cornerstone of our online presence. Over the year, the team again put out over ten thousand pieces of content to engage, inform and inspire Warhammer fans globally. There are more people reading about Warhammer than ever!

My Warhammer

Registrations continue to grow at pace and are up +140% on 2020/21.

Warhammer+

In the year we launched Warhammer+. It is only now approaching its first anniversary and so it is still in very early development. The exciting content delivered through Warhammer+ will remain an integral part of our digital offer and how we share our IP.

Email

Our email campaigns continue to be one of our most effective methods of communication. The team has worked hard to understand our customers and develop the tools to ensure we're talking to them about the parts of Warhammer they value most. Subscribers increased by 39%.

We continue to look for more ways to surprise and delight our loyal fans.

More Warhammer. More Often - licensing business

Towards the end of the year, I appointed a new creative director, putting IP nous at the heart of our licensing opportunities. Warhammer IP is rich, vast and endless so as we do more projects, it's important that we are focused on exploiting it all and that its representation continues to be respectfully maintained.

Our strategy is to exploit the value of our IP beyond our core tabletop business, leveraging multiple categories and markets globally. We intend to ensure Warhammer's place as one of the top fantasy IPs globally. The main areas of focus are:

Entertainment

It is our intent that any new partner/s will become the home of Warhammer on screen for many years to come. We acknowledge that given that they will need sufficient time to invest and deliver the quality we believe our IP deserves. A greater slice of our IP and direct access to the experts in our IP development team will allow them to invest in Warhammer with the confidence that they have our full support on the interpretation of the IP. We will keep you updated with any significant progress.

Video games

During the year our licensing partners launched six new games; four PC/console, one virtual reality and one mobile. We also saw revenue from established games that continued to perform well, many years after launch, through a mixture of added content and continued marketing. Particular launches of note were the highly anticipated Total War: Warhammer 3, and Warhammer 40,000: Chaos Gate Daemonhunters.

Eight new games were announced in the year including Space Marine 2, which has been the most consistently requested game since the first game came out in 2011. Fan response was overwhelmingly positive.

New games launching in 2022/23 include major franchises Warhammer 40,000 Darktide and Bloodbowl 3, plus four more still awaiting release dates. In total there are 12 unreleased games in development and four new licences were signed in the year. We recognised one significant one in the income statement this year at £7.5 million with Nexon - note this is not all paid in cash at the time it is recognised. The cash is paid throughout the lifetime of the licence.

STRATEGIC REPORT continued

Priorities for 2022/23

Core business

We have made some reasonable progress with our key priorities. Each of these is designed to ensure we deliver our exciting operational plan and continue to engage and inspire our loyal customers.

To summarise - our current areas of operational focus are:

- keeping our loyal hobbyists engaged in their Warhammer hobby,
- recruiting more hobbyists,
- mitigating a c.2% (c.£8 million) decline in core gross margin, which is a fair challenge. In the year we reviewed our input price increases and they looked more permanent, so we increased our prices on a broader existing range by c.5%. We will always, in the short term, continue to absorb some of the cost pressures ourselves - we prefer to only increase prices for the additional quality of new miniatures. We are focusing our efforts on efficiency improvements everywhere and further volume growth.
- getting our major projects over the line: our investments in a new finished goods warehouse near Nottingham (estimated go live date summer 2022) and our new ERP system (estimated delivery date - plan pending) restarted.

Of course, as a vertically integrated international company, we have lots of other things to worry about. We will continue to monitor and deal with those as a team in our normal way - through hard work, grit and determination with a little humour too. Life's never dull at Games Workshop and that's why we enjoy it so much.

As part of our overall strategy, six key initiatives will be prioritised in 2022/23. These are designed to deliver further sales growth whilst maintaining our core operating profit margin and continuing to surprise and delight our customers. They are in addition to our investment in new product quality and ensuring our new factories and warehouses deliver the appropriate cash payback.

Staff training and development

We care passionately about our global team. We have ambitious long-term plans, but we also run the business with only the resources we need. We will continue to only recruit essential new jobs or where we need to back-fill positions. Like last year, many of these recruits will be in order to scale - in our factories and warehouse facilities as well as in our support functions, mainly IT.

We will continue to support lifelong learning and training to develop the skills needed to enable all our staff to be successful. We are also more active in developing orderly succession plans of both the board and senior management. We continue in our commitment to diversity and inclusion at Games Workshop.

Growth

We are planning for all of our existing 518 stores to be fully operational and, to add a further 21 new stores: 15 in North America and 5 in Europe (in France, after another successful year) with our new Warhammer café in Tokyo opening too. This will be our first large store in Japan. Warhammer World is a long way away, so we hope this goes some way to immersing our hobbyists in our broader offer. I can't wait to see how well it launches and is received by our relatively small but ever growing hobby community in Japan.

We again aim to grow in every major country in the world, and via all of our three sales channels with all of our core IP. Our online store will have a new platform and will be rebranded for launch in the summer. Phase one will have no major bells or whistles but will be a more stable technical solution. We look forward to more hobbyists signing up to My Warhammer, the gateway into our fantasy worlds.

We will continue to open more independent retailer accounts. Selling via physical outlets remains an important sales channel for us. Some have their own online store, some not. We have seen sales grow in both. We will have a broader range of products to offer with the launch of our third range, Horus Heresy.

We will continue to search for and engage with hobbyists everywhere.

Customer focus

We will also continue to be customer focused - better engaging our existing ones and reaching whole new audiences with the Warhammer hobby, and the rich worlds it is set within.

Social responsibility

We now have our first joined up draft* plan. We will continue to focus on ethical sourcing and staff wellbeing, diversity and inclusion - delivering our legal requirements. We are reviewing the business consequences of collecting and reporting on race and ethnicity - to date we have never collected that data from our staff. We are not sure it is the right thing to do or have legal authority in some countries to request it without failing some other legal requirement. It's a complex problem to solve and we don't discriminate.

*This will be an investment we commit to every year. Often long-term commitments like these are paused when financial KPIs need to be maintained. To deliver a long term change we really need to commit for the long term.

Social responsibility continued
We continue our work on TCFD reporting, our first attempt is detailed later. We will report progress on science-based targets next year. The team are working on driving more value through well thought through and deliverable sustainable site waste reduction and extending our sustainable packaging initiatives. We care about the planet and the people that live on it. We will report with clarity and be very honest about our progress - we don't intend to do any greenwashing.

Committed to diversity, we will continue to performance manage and recruit for the personal qualities you need to do a particular job as well as the necessary skills. We do not select based on any other criteria. I will continue to do my best to ensure this is the case and that we are fair and free from any bias and/or prejudice.

Sustainability - climate change has enormous implications for society. We acknowledge that fully. We are committed to doing our bit. We won't make any long-term promises - we never do on any topic. We will guarantee to take it seriously and make progress every year. By continuing to do the right thing, we will deliver change. More recently we have created a new 'sustainability action list' which aligns our approach of just doing the right thing with better external reporting. The action list will focus our efforts on where we can make the biggest difference. We believe that we create long-term value for our stakeholders through delivering on each of these elements: growth, good cash returns and by having a positive impact on others.

Licensing business
The priority remains the same to deliver on our digital strategy by licensing our IP to partners who will successfully launch high quality video games, live action or animation shows.

Media
Our IP is huge and there are many opportunities, we will keep you informed appropriately in line with any agreement with potential partners. We will also seek the appropriate legal support on what we can say and what we can't...it's quite complex and we don't wish to slip up on any of our legal duties or misrepresent progress when this industry works at a different pace to our core business. I continue to remind our team, it's a long process and we can fail at many hurdles. We remain confident we will bring the worlds of Warhammer to the screen like you have never seen before. We are pragmatically patient, it's not in our complete control.

Video game partners
We are looking to add more long-term partners to help us globally reach even more fans of our IP. The year ahead looks reasonably exciting with three major launches in the period. The efforts it takes to bring a video game to launch is incredible - we take this opportunity to thank our current partners for their ongoing investment in Warhammer, their hard work and dedication in representing our IP true to their artistic and literary form and wish them continued success.

Sales
This year we have reclassified royalties receivable from other operating income within the income statement to licensing revenue, given the growing prominence of this income stream. Core revenue is the revenue earned from the designing, making and selling our hobby.

Reported core revenue grew by 10% to £386.8 million for the period. On a constant currency basis, sales were up by 11% from £353.2 million to £391.5 million; split by channel this comprised: Trade £218.1 million (2021: £194.8 million), Retail £88.1 million (2021: £70.7 million) and Online £85.3 million (2021: £87.7 million).

Licensing revenue from royalty income increased in the year by £11.7 million to £28.0 million. This was largely due to a high level of guarantee income on multi-year contracts signed in the year; this income is recognised in full at the inception of the contract in line with IFRS 15 'Revenue from contracts with customers' following assessment of the performance obligations of the contract. Reported income is split as follows: 83% PC and console games, 7% mobile and 10% other. In the period, guarantee income was £15.0m (2021: £4.3m).

Revenue by sales channel

	52 weeks ended 29 May 2022 *Constant currency* £m	52 weeks ended 30 May 2021 *Constant currency* £m	**52 weeks ended 29 May 2022 *Actual rates* £m**	52 weeks ended 30 May 2021 *Actual rates* £m	**2022 *% of core* revenue**	2021 *% of core* revenue
Trade	**218.1**	194.8	**214.3**	194.8	**55%**	55%
Retail	**88.1**	70.7	**87.2**	70.7	**23%**	20%
Online	**85.3**	87.7	**85.3**	87.7	**22%**	25%
Core revenue	**391.5**	353.2	**386.8**	353.2		
Licensing revenue	**27.1**	16.3	**28.0**	16.3		
Revenue	**418.6**	369.5	**414.8**	369.5		

Trade
Trade achieved significant growth of 10% with growth in all key countries. In the period, our net number of trade outlets increased by c.800 accounts to 6,200 which helped drive forward sales in this channel. It's worth noting that a large number of independent retailers now also sell our products online, meaning our customers have more choice than ever about where to buy Warhammer.

STRATEGIC REPORT continued

Revenue by sales channel continued

Retail

Store openings and closures during the year:

	Number of stores at 30 May 2021	Opened	Closed	**Number of stores at 29 May 2022**	**Number of single staff stores at 29 May 2022**	Number of single staff stores at 30 May 2021
UK	138	3	6	**135**	**93**	96
North America	161	5	1	**165**	**145**	142
Continental Europe	153	-	2	**151**	**111**	113
Australia	49	1	1	**49**	**37**	37
Asia	22	1	5	**18**	**14**	18
	523	10	15	**518**	**400**	406

We believe our stores are the best place to start your Warhammer hobby journey with us. Our stores are filled with staff who have extensive Warhammer knowledge, build local communities and offer Warhammer hobby guidance and support. It is an essential and unique customer service offer that we are proud of.

In the period, we opened, including relocations, 10 stores. After closing 15 stores, our total number of stores at the end of the period is 518. As most of our stores across the globe were open for the majority of the year, retail performed well except for Australia which had Covid related closures across the region in 2021/22. The performance of each store will be kept under review and any stores that do not meet our financial model will be closed.

We opened our second café store in California in June 2021 and are planning a further 15 new stores in North America in the new year too alongside five in France. Our new store openings will continue to follow our low cost single staff model where appropriate, alongside opening a café store in Tokyo in the next year. We will continue to review the format of our stores pragmatically. Ensuring we always recruit great store managers and offer our customers an exceptional in-store experience, remains a priority for us.

Online

Online sales declined slightly by 3% compared to the same period last year. As noted above, our customers have a lot of options when it comes to shopping for Warhammer online and are able to buy our products both through our own web stores (reported in Online) and through those of independent retailers (reported in Trade). We are part way through the first phase of upgrading our online store which will go live in 2022/23.

Core gross margin

Core gross margin percentage declined in the year by 5.6% points (2022: 67.1%; 2021: 72.7%). It was negatively impacted by; an increase in inventory provisions of £10.6 million as we failed to get the right stock in the right place at the right time, £9.2 million additional freight and carriage costs including £3.4 million of costs into Europe; and £2.5 million additional staff costs.

Operating expenses

Core operating expenses have increased by £7.5 million in the year (2022: 33.0% of core revenue; 2021: 34.0%): £4.6 million additional spend on our operations, support and marketing teams (including staff costs of £1.7 million and IT related operational costs of £1.7 million). Online costs have increased by £1.9 million relating to investment in the new webstore and £1.2 million increase in support and hosting costs. Other variable selling costs have increased by £1.6 million. Retail and events costs have increased by £2.0 million as stores reopened and we restarted events following Covid closures. This is partially offset against the prior period by savings of £3.3 million as we rewarded all our staff with a £3,500 profit share payment each (2022: £9.9 million; 2021: £13.2 million). Bonuses to the senior management team were £0.6 million (2021: £1.1 million).

Licensing operating expenses have increased by £1.3 million in the year as we moved some costs from the core creative team into the licensing team.

Operating profit

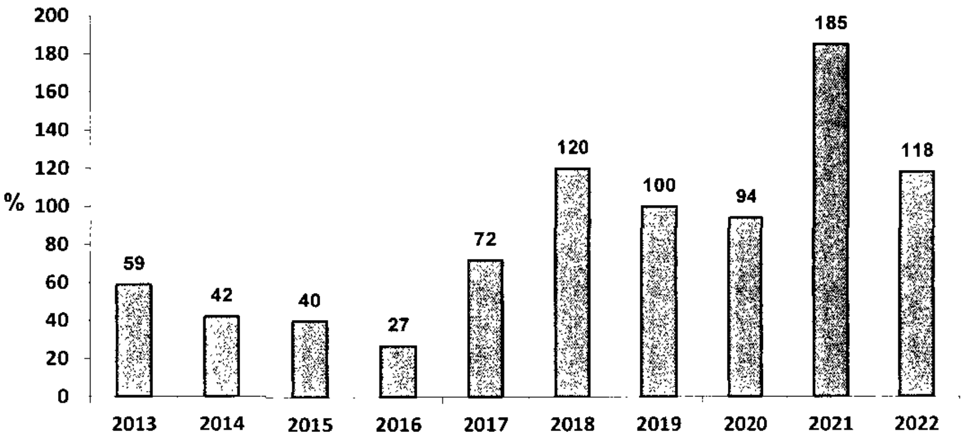
Core operating profit decreased by £5.0 million to £131.7 million (2021: £136.7 million). On a constant currency basis, core business operating profit increased by £0.2 million to £136.9 million. As a percentage of core sales, core business operating profit was 34.0% (2021: 38.7%).

Licensing operating profit grew by £10.4 million to £25.4 million (2021: £15.0 million). On a constant currency basis, licensing operating profit increased by £9.6 million to £24.6 million. These numbers are income less costs; they do not include any costs related to using the IP created in the core business.

Cash generation
During the year, the Group's core activities generated cash of £106.1 million after tax payments (2021: £118.5 million) which includes group profit share payments of £9.9 million (2021: £13.2 million), an increase in inventory of £12.2 million (2021: £6.2 million) and an increase in the VAT debtor of £5.9 million (2021: £5.4 million). Licensing cash receipts were £15.4 million (2021: £14.2 million). After purchases of tangible and intangible assets of £18.4 million (2021: £20.3 million) and product development costs of £13.9 million (2021: £9.7 million), dividends paid of £93.5 million (2021: £60.5 million), lease payments of £11.1 million (2021: £10.0 million), proceeds from the issue of ordinary share capital relating to the sharesave scheme of £1.8 million (2021: £1.4 million), there was cash at the period end of £71.4 million (2021: £85.2 million).

Dividends
We followed our principle of returning truly surplus cash to shareholders. Dividends of £77.1 million (2021: £76.9 million) were declared during the year. A 'working cash buffer' of three months' worth of working capital requirement alongside six months' worth of tax payments has been set aside before deciding how much cash is truly surplus for the purpose of declaring dividends.

Return on capital employed - core business



A long-term measure of our performance has been return on capital employed (ROCE). During the year our core business return on capital has declined from 185% to 118%. The prior period result was exceptional and ROCE has returned to a more typical historical level. If ROCE was calculated using the period end values, it would be 113% (2021: 156%).

Capital employed
Core average capital employed increased by £37.6 million to £111.3 million. This was driven by the average book value of tangible and intangible assets increasing by £14.5 million, average inventories increasing by £11.8 million and trade and other receivables increasing by £11.1 million. Average balances are calculated over the 12 month period.

Investments in assets
This is what we have been spending your money on:

	2022	2021
	£m	£m
Shop fits for new and existing stores	**1.3**	0.6
Production equipment and tooling	**10.1**	7.5
Computer equipment and software	**2.9**	5.2
Site	**3.4**	7.3
Total capital additions	**17.7**	20.6

In 2021/22, we invested £4.1 million in tooling, milling and injection moulding and paint machines and a further £6.0 million on moulding tools. The investment in computer equipment and software includes £0.9 million on the new warehousing facility in Nottingham and work on the ERP system of £0.6 million. The investment in Site includes £2.7 million to expand our production, warehousing and office capacity in Nottingham.

Inventories
Inventories have increased by £10.9 million as a result of the logistical difficulties of getting the right stock in the right place and my poor forecasting. Inventory before inventory provisions increased to £44.8 million (2021: £32.2 million) and inventory provisions increased by 0.4% to 1.7% of core revenue (2022: £6.4 million; 2021: £4.6 million). We continue to offer a broad range of price points. The average increase in the price of product varies by product category and ranges from 2% to 10%.

STRATEGIC REPORT continued

Trade and other receivables
Trade and other receivables increased by £21.1 million, which includes a £13.3 million increase in royalty income receivable, £5.9 million increase in VAT receivable, £0.8 million increase in trade debt, £0.5 million increase in accrued digital income and £0.6 million in rent and rates prepayments.

Trade and other payables
Trade and other payables decreased by £2.8 million, including a £2.5 million decrease in trade payables and a decrease of £2.8 million in PAYE, rates and VAT liabilities. This was partially offset by a £2.7 million increase in deferred income.

Taxation
The effective tax rate for the period was 18.0% (2021: 19.2%). The rate is lower than in the prior period as a result of the increase in overseas profit in inventory provisions together with the impact of super deductions.

Treasury
The objective of our treasury operation is the cost effective management of financial risk. The relationship with the Group's bank is managed centrally. It operates within a range of board approved policies. No transactions of a speculative nature are permitted.

Funding and liquidity risk
The Group pays for its operations entirely from our cash flow.

Interest rate risk
Net interest receivable for the year was £0.2 million (2021: £0.2 million).

Foreign exchange
Our big currency exposures are the euro and US dollar:

	euro		US dollar	
	2022	2021	**2022**	2021
Period end rate used for the balance sheet	**1.18**	1.16	**1.26**	1.42
Average rate used for earnings	**1.18**	1.13	**1.34**	1.34

The net impact in the year of exchange rate fluctuations on our operating profit was a gain of £1.8 million (2021: loss of £4.0 million).

Non-financial information statement
As highlighted in the business model section earlier in this annual report, we are a relatively complex business. With this in mind, we aim to comply with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. The table below and the information it refers to is intended to help stakeholders understand our position on key non-financial matters and how we are addressing our reporting requirements. This is an area of focus for us going forwards.

Reporting requirement	Key policies and standards which govern our approach and controls	Where this is referenced in this annual report
Employees	Employee statement Attendance and absence policies including career break, maternity, paternity and shared parental leave Disciplinary, grievance and appeals policy Social media policy Health and safety policy	Pages 25-27
Anti-corruption and bribery	Anti-bribery policy Anti-slavery policy Insider dealing policy Whistleblowing policy	Page 37 Page 27 Page 37
Human rights	Safeguarding policy Data protection policy Dignity at work policy Equal opportunities policy	
Environmental matters	Environmental statement Product safety policy	Pages 21-25
Business model		Pages 5-6
Non-financial KPIs		Page 7
Description of principal risks		Page 17

Gender diversity, greenhouse gases, social, community and human rights, and employees
We report on these topics in the directors' report on pages 21 to 27.

Risks and uncertainties
The board has overall responsibility for ensuring risk is appropriately managed across the Group and has carried out a robust assessment of the principal risks to the business. The key strategic risks to the Group are regularly reviewed by the board. The principal strategic risks identified in 2021/22 are discussed below. These risks are not intended to be an extensive analysis of all risks that may arise but more importantly are the ones which we believe could cause business interruption.

- IT strategy and delivery - with a number of significant business projects in play, all of which are dependent on IT support, there is a requirement for a robust IT strategy which enables us to deliver key strategic projects as well as supporting day to day activities. We are keeping the structure of our global IT team under review to ensure the IT support needs of the business can be delivered.
- Media - whilst this remains an area for future growth, it is imperative that exploitation of our IP through media channels does no harm to our core business. Our IP steering team meets every month to discuss ongoing and future exploitation, to ensure that all use of our IP, through all channels, is approved, correct and consistent. It is fully supported by our in-house legal team who will act when needed.
- Social responsibility - we don't intend to 'greenwash' or to be 'politically correct'. We believe we are already good corporate citizens and we have been making some good progress quietly in the background. We are looking for ways we can support global initiatives including climate change, diversity and equality and we are documenting a realistic plan to make some progress, forever.

We consider that Covid is not a specific risk that we can mitigate against but we are managing our response to it alongside our operational risks. We also do not consider that we have material solvency or liquidity risks.

Section 172 statement
This section describes how the directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 in exercising their duty to promote the success of the company for the benefit of its members as a whole.

The likely consequences of any decision in the long term
To be around forever, it is essential that the board makes decisions which are the best for Games Workshop in the long term. These decisions are focused on long-term success, not short-term gains. The best example of this is the ongoing investment in our studios and our rich IP. This together with our capital investment in new production facilities, warehousing space and technology, as well as global IT infrastructure will stand us in good stead for the future.

The interests of the Group's employees
The board actively engages with employees to ensure that the opinions and ideas of staff are always considered, and that staff are kept up to date and informed. This has been achieved in a number of different ways over the past 12 months:

- Our global communications forum operated until November 2021 and acted as a means of communication between the board, senior management and staff, with representatives from all departments, in all territories around the world. The matters discussed at the Games Workshop Global Communications Forum (GWGCF) were circulated to the board and discussed at board meetings to ensure that the board understands the views and concerns of employees. Members of the board attended GWGCF meetings to ensure ongoing board engagement with employees.
- A series of quarterly departmental briefings, led by senior managers, are now taking place in order to facilitate open communication and to ensure staff are informed.

The need to foster the Group's business relationships with suppliers, customers and others
Suppliers
The board is briefed on a monthly basis regarding major investments and ongoing relationships with key suppliers as required. The board also has oversight of relationships with suppliers through regular updates and reports from the executive directors. Details of how we engage with suppliers can be found in the directors' report on page 27.

Customers
The enjoyment of all things Warhammer by our customers is our priority. The board assesses and considers customer satisfaction and engagement on a regular basis. Sales and performance information provide the board with good visibility of customer demand on a monthly basis. Key performance indicators in respect of engagement with customers through our Warhammer Community website, digital communications, and initiatives like Warhammer Schools Alliance are likewise reported to, and assessed by, the board regularly. Any other significant trends, issues or opinions of our customers are reported up to and discussed by the board when appropriate. Details of how we engage with customers can be found in the director's report on page 27.

The impact of the Group's operations on the community and the environment
The board recognises the importance of managing the social impact of the business and minimising any adverse impact of our operations on the environment. Details of the progress made in respect of social responsibility and sustainability can be found in the directors' report on pages 21 to 25.

STRATEGIC REPORT continued

Section 172 statement continued

The desirability of the Group maintaining a reputation for high standards of business conduct
The board expects the highest standards of business conduct. The board receives regular updates in respect of matters of regulatory compliance, and the business has policies, procedures and processes in place in respect of modern slavery, bribery and corruption, ethical sourcing and tax evasion.

The board recognises the importance of good corporate governance. Details of the approach taken by Games Workshop can be found in our corporate governance report on pages 29 to 34.

The need to act fairly as between members of the Company
The Company has one class of shares so all shareholders are treated equally. Details of how we engage with shareholders can be found in our corporate governance report on page 32.

Outlook
We are on the front foot, have a clear strategy for our core and licensing business, a culture built on long standing proven principles, a pretty good operational plan building on the progress we have made, a work ethic built on trust and a hobby that is fun and engaging. We look forward with a great deal of confidence. Our goal remains the same to deliver our strategy and share our love for Warhammer, globally.

It's been another astonishing year. I once again take great comfort that some things don't change - our staff and customers love Warhammer. I thank you all for helping make this another very successful year.

Approved by the board, and signed on behalf of the board

Kevin Rountree
CEO
25 July 2022

DIRECTORS' REPORT

The directors present their annual report together with the audited consolidated financial statements and independent auditor's report for the period ended 29 May 2022.

General information
Games Workshop Group PLC (the 'Company') and its subsidiaries (together the 'Group') designs and manufactures miniature figures and games and distributes these through its own network of retail stores, independent retailers and online via the global web stores. The Group has manufacturing activities in the UK and sells mainly in the UK, Continental Europe, North America, Australia, New Zealand and Asia. The Group also grants licences to third parties for the development of video games and other products utilising the Group's intellectual property.

The Company is a public listed company, incorporated and domiciled in the United Kingdom. The address of its registered office is Willow Road, Lenton, Nottingham, NG7 2WS, United Kingdom. The Company's ordinary share capital is listed on the London Stock Exchange.

Dividends
Dividends of 235 pence per share (2021: 235 pence per share) were declared during the year (2022: £77.1 million; 2021: £76.9 million).

Directors
The present directors of the Company are listed on page 50. All of the directors were members of the board throughout the year and up to the date of signing the financial statements except for S Matthews and N J Donaldson, who stepped down from the board on 28 November 2021 and 31 May 2021 respectively, and R Casson who joined the board on 1 July 2022.

In accordance with the 2018 UK Corporate Governance Code, all directors are subject to annual re-election. In relation to the non-executive directors, the chair has confirmed that, following formal performance evaluation, the performance of J R A Brewis and K E Marsh continues to be effective and they continue to demonstrate commitment to their roles as non-executive directors, including commitment of the necessary time to board and committee meetings and other duties. E O'Donnell is considered by the board to be independent of the Group, as set out in the corporate governance report. The non-executive directors have formally evaluated the performance of E O'Donnell as non-executive chair and consider her to be effective in her role.

Directors' interests
The interests of the directors in the shares of the Company, together with details of share options granted to the directors, are disclosed in the remuneration report on page 48. None of the directors had a material interest in any contract of significance to which the Company, or any of its subsidiaries, was a party during the year.

Directors' indemnities
The Company has made qualifying third party indemnity provisions for the benefit of its directors, as permitted by section 234 of the Companies Act 2006, which were in force during the year and up to 25 July 2022.

Information on executive directors
K D Rountree (age 52), CEO. Kevin joined Games Workshop in March 1998 as assistant group accountant. He then had various management roles within Games Workshop, including head of sales for the Other Activities division (including Black Library, Licensing and Sabertooth Games). Kevin was appointed CFO in October 2008. During the period ended 29 May 2011, he took on the responsibility of managing the Group's service centres globally. To reflect this, his title was changed to chief operating officer from chief financial officer. He became chief executive on 1 January 2015. He qualified as a chartered management accountant in 2001. Prior to joining Games Workshop, Kevin was the management accountant at J Barbour & Sons Limited and trained at Price Waterhouse.

R F Tongue (age 51), CFO. Rachel joined Games Workshop in September 1996 as group tax manager. She then had various accounting roles within Games Workshop and was appointed company secretary in October 2008. She has also managed the legal and compliance functions within Games Workshop since November 2012. She was appointed group finance director in January 2015 and assumed the role of chief financial officer in November 2020. Rachel qualified as a chartered accountant in 1995 and as a chartered tax adviser in 1996 having trained with Arthur Andersen.

Information on non-executive directors
E O'Donnell (age 51). Elaine O'Donnell was appointed to the board on 28 November 2013 and became non-executive chair on 1 January 2021. A chartered accountant by profession, Elaine was previously a corporate finance partner with EY. She is also a non-executive director of On the Beach Group plc.

J R A Brewis (age 55). John Brewis was appointed to the board on 20 June 2018. John has over 30 years' experience in high volume manufacturing businesses and had various roles within Reach Plc, formerly Trinity Mirror Plc, including managing director of the Group's manufacturing division.

K E Marsh (age 60). Kate Marsh was appointed to the board on 24 July 2019. Kate has over 30 years' experience in digital and media businesses. She is currently non-executive director at Devolver Digital Inc., Elstree Film Studios Limited and is heading up international development for MGM Studios' digital networks. Kate has built and managed significant media businesses across Europe holding senior roles with Sky, GroupM, the BBC, and Sony Pictures Television.

DIRECTORS' REPORT continued

Information on non-executive directors continued
R Casson (age 55). Randal Casson was appointed to the board on 1 July 2022. Randal has 35 years' experience as a chartered accountant and has been an audit partner at PwC for 22 years. He retired from PwC on 30 June 2022.

Independent auditor
As at 25 July 2022, so far as each director is aware, there is no relevant audit information of which the auditor is unaware and each director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Share capital, share rights and other information
As at 25 July 2022, the Company's authorised share capital was £2,100,000 divided into 42,000,000 ordinary shares of 5p each nominal value ('ordinary shares'). On 21 July 2022 there were 32,840,204 (2021: 32,776,471) ordinary shares in issue. These ordinary shares are listed on the London Stock Exchange. All ordinary shares rank equally with respect to voting rights and the right to receive dividends. Shares acquired through the Company's share schemes rank pari passu with the shares in issue and have no special rights. The holders of ordinary shares are entitled to receive the Company's annual report, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights. There are no restrictions on transfer or limitations on the holding of any class of share and no requirements for prior approval of any transfers. The directors may refuse to register a transfer of shares if there is a failure to comply with certain requirements of the Company's articles of association. None of the shares carry any special rights with regard to control of the Company.

In accordance with the Company's articles of association, each share (other than those held in treasury) entitles the holder to one vote at general meetings of the Company on votes taken on a poll. On a show of hands at a meeting, every member present in person or by one or more proxies and entitled to vote has one vote. Unless the directors decide otherwise, if a shareholder is given notice that he has failed to provide information required in relation to any shares pursuant to a notice under section 793 of the Companies Act 2006, that member will be unable to vote on those shares both in a general meeting and at a meeting of the shareholders of that class. If such shareholder holds more than 0.25% of the issued shares of a class (excluding treasury shares) and is in default of a section 793 notice, the directors may also state in the notice that: (i) the payment of any dividend shall be withheld; and (ii) that there can be no transfer of the shares held by such shareholder.

Subject to the provision of law, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interest, but no dividend may exceed the amount recommended by the directors. The directors may also declare and pay interim dividends. Subject to shareholder approval, the directors may pay dividends by issuing shares credited as fully paid up in lieu of cash dividends. If dividends remain unclaimed for 12 years they are forfeited and revert to the Company.

The rules about the appointment and replacement of directors are contained in the Company's articles of association. The Company's articles of association state that a director may be appointed by an ordinary resolution of the shareholders or by the directors, either to fill a vacancy or as an addition to the existing board but so that the total number of directors does not exceed the maximum number of directors allowed pursuant to the Company's articles of association. The Company's articles of association do not currently specify a maximum number of directors. The Company may by ordinary resolution remove a director from the board of directors.

The Company's articles of association also state that the board of directors is responsible for the management of the business of the Company and in doing so may exercise all the powers of the Company subject to the provision of relevant legislation and the Company's constitutional documentation. The powers of the directors set out in the Company's articles of association include those in relation to the issue and buy-back of shares. As at 29 May 2022, the Company had an unexpired authority to repurchase shares up to a maximum of 3,277,647 shares. During the year no shares were purchased in the market for cancellation.

Changes to the articles of association must be approved by the shareholders in accordance with the legislation in force from time to time.

The Company does not have agreements with any director or employee that would provide compensation for loss of office or employment resulting from a takeover, except that the provisions of the Company's sharesave scheme may cause options to be exercised in a takeover.

Constructive use of the AGM
The chairs of the audit and risk, remuneration and nomination committees will be available to answer questions at the AGM. Separate resolutions are proposed for substantially separate issues at the meeting and the chair of the Company will declare the number of proxy votes received both for and against each resolution.

Corporate governance
The Company's statement on corporate governance is included in the corporate governance report on page 30 and forms part of this report.

Environment and social
At the start of 2022, we appointed a new head of social responsibility and sustainability ('SRS') - a new position created to co-ordinate our social responsibility and sustainability initiatives into a strategic plan that ensures we act responsibly and sustainably in everything that we do. We now have a dedicated team who are responsible for co-ordinating the delivery of our SRS strategy as set out below. Many of these initiatives are not new.

SRS strategy
Like all companies, Games Workshop has a responsibility to operate in a way that brings value to all our stakeholders and to continue to build a company, doing the right things, of which we can all be proud.

Our hobby brings tremendous amounts of enjoyment to the members of our community - facilitating friendships and an escape into an immersive universe of fantasy characters and worlds, whilst helping build social skills, strategic thinking, and providing a medium for artistic expression. We are proud of what we do and that the design, manufacture and sale of the best fantasy miniatures in the world provides so much enjoyment to our customers. However, we can't ignore the use of resources or the resulting emissions and waste caused by our activities.

Our SRS strategy is being built to support our overall business strategy. To deliver the long-term success of the business and continue to engage and inspire our customers forever, we have to proactively reduce our environmental impact and ensure we do the right thing throughout our operations and supply chain.

The strategy is focused upon two areas:

- Environment - promoting sustainability throughout everything we do. Playing our part in tackling climate change.
- People - creating positive environments for staff. Promoting responsible manufacture and supply chains. Protecting our customers.

The SRS strategy will help us improve the transparency of our reporting and allow us to communicate clearly on how we are addressing key subjects. This year we report on the progress we have made on key focus areas, and over the next 12 months we will produce a set of clear objectives, accompanied by well-defined metrics and targets.

Environment
We will aim to capture our activities associated with managing our environmental impact both in our operations and throughout our supply chain. Our focus will be on fulfilling our role in helping to tackle climate change, maximising the efficient use of resources and working to make sure all waste associated with our operations and products is dealt with as sustainably as possible.

Taskforce for climate-related financial disclosures (TCFD)
We support the recommendations of the TCFD. We recognise the need to reduce our carbon emissions and further strengthen the resilience of our business to the impacts of climate change.

In accordance with Listing Rule 9.8.6R (8), we are including the following overview of our approach to climate-related risks and opportunities, consistent with the TCFD recommendations for disclosure. We have considered the 11 principles of the TCFD recommendations and whilst we have made significant progress towards integrating the management of climate-related issues into how we plan and operate our business, there are still some areas where there is more to do to - specifically requirements A and C under metrics and targets, these are areas where we are still working towards full compliance.

Requirement A requires that we disclose the metrics we use to assess climate-related risks in line with our risk management process and an agreed impact scale against which all risks are consistently measured. We anticipate that we will have established this before the end of the next financial year. Requirement C requires that we complete the setting of targets for reducing our carbon footprint. We are currently in the process of setting targets in line with the requirements of the Science Based Targets Initiative (SBTi) and the level of reduction needed to limit temperature rises to 1.5°C. We will report progress on science-based targets next year.

Governance
Climate-related risks and opportunities are identified, assessed and managed as part of our risk management process as follows:

- Ultimate accountability for and oversight of climate-related risks and opportunities sits with the board. The board will review all strategic and financially substantive risks at least twice a year through the audit and risk committee, which includes current progress on any targets defined to manage climate-related issues associated with these risks. The outputs from these committee meetings will help refine and plan the changes to the strategy, risk management processes, policies and future investment.
- Strategic oversight of climate-related risks is provided by the senior management team sustainability steering group (SSG). The SSG is chaired by the CFO and meets quarterly. It reviews climate-related and other sustainability risks collated from across the different teams at Games Workshop. The output of these reviews helps define any goals and targets to help manage climate and other sustainability related issues as well as helping set the strategy for all environment and sustainability matters across the business. The SSG also monitors progress on risk management activities undertaken by the specific areas across the business as part of their efforts to manage climate-related issues associated with their activities.

Our head of SRS is responsible for co-ordinating the management of climate-related risks and opportunities via the carbon management group. This group meets monthly to review progress on delivery of our plan including: the identification, assessment and management of climate-related risks; and monitoring of associated goals and targets. The group is chaired by the head of SRS and is supported by senior managers from the relevant teams across the business.

DIRECTORS' REPORT continued

Environment continued
Risk management - risk identification
The identification of emerging climate related-risks and opportunities and the monitoring of any changes is coordinated through the carbon management group.

Climate-related risks and opportunities are identified using a range of processes, including:
- monitoring future developments
- stakeholder engagement
- scenario planning
- subject matter expertise

Any identified risks are recorded on the SRS risk register.

Risk management - risk assessment
Any identified climate-related risk is assessed by our carbon management group based on the likelihood of occurrence and the potential impact. Risks are ranked and prioritised. Risks that pass a certain threshold are added to the risk register for the relevant part of the business who are then responsible for managing that risk appropriately. Substantive risks that have the potential to have a material financial or strategic impact on our business are added to the company-wide operational risk register. These substantive risks are reviewed, alongside all other company-wide risks at least twice a year by the audit and risk committee.

Risk management process
Climate-related risks cover a broad range of potential business risks - from specific risks where climate change acts as the primary cause, to risks where climate change acts to accelerate or worsen the impact of existing risks. The management of these different risks varies according to the type of risk they are and their effective time horizon as follows:

Transitional risks, such as those caused by the increasing cost of high carbon materials, are often not within our control. For example, the development of manufacturing technology that avoids such materials. We don't have a solution for a plastic alternative.

Physical risks, such as the increased likelihood of supply chain disruptions caused by extreme weather conditions, that are outside our control are often best managed through risk transfer. For example, having business continuity insurance to cover any lost revenue caused by an unforeseen disruption in business operations.

Whilst some aspects of the management of climate-related risks (such as their impact on financial planning) apply at all time horizons, other aspects are more suited to specific time horizons as follows:

- Short term: considers climate-related risks that could affect the business within the next 12 months. The management of such risks will form part of decisions made regarding our usual planning processes.
- Medium term: considers climate-related risks that could affect the business in one to three years' time. These risks are managed through our planning activities and influence decisions such as target setting.
- Long term: considers climate-related risks that could affect the business beyond three years. These risks are managed as part of our planning activities.

Strategy
We have carried out a climate scenario analysis (CSA). This CSA helps us understand the potential context in which our business will be operating in the future and allows us to prepare for a variety of different possible outcomes. The analysis uses existing climate change science and applies projections to suggest how our business may be impacted by climate change.

CSA Methodology
We conducted our CSA using a standard methodology in accordance with guidance provided by the TCFD recommendations. The approach is broken down into its key components below:
- Risk screening
  For the first iteration of our CSA, we focused solely on risks rather than opportunities. We screened all potential risks and narrowed them down further through workshops to produce a shortlist, which consisted of three physical and five transitional risks.
- Scenario selection
  We used global climate scenarios defined by the Network for Greening the Financial Systems (NGFS). We selected three climate scenarios from the NGFS for our analysis. Details can be seen in 'chosen climate scenarios' below. Each scenario presents a distinct possible future in which we may be operating.
- Impact quantification
  We carried out a range of different workshops internally to gain an understanding of the operational implications of each of the identified risks and how these may vary across the three different scenarios. These workshops were carried out with input from internal and external experts within different areas of our business.

Through this we were able to identify a wide variety of potential impacts on our business model resulting from climate change. When analysing each risk, qualitative and, wherever possible, quantitative assessments were made.

Chosen climate scenarios

The three selected scenarios from the NGFS can be seen below, in order of the severity of risk exposure from lowest to highest.

- 'Net zero 2050'
  An ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching net zero CO2 emissions around 2050. This scenario assumes that ambitious climate policies are introduced immediately. Carbon removal is used to accelerate decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO2 emissions reach zero around 2050, giving at least a 50% chance of limiting global warming to below 1.5°C by the end of the century. Physical risks are relatively low, but transition risks are high.
- 'Divergent net zero'
  A scenario that reaches net zero by 2050, but with higher costs due to a less integrated and consistent approach to policy across different sectors and regions along with a quicker phase out of fossil fuels. This mimics a situation where the failure to coordinate the policy stringently across sectors results in a high burden on consumers, while decarbonisation of energy supply and industry is less stringent. Furthermore, the availability of carbon dioxide removal technologies is assumed to be lower than in 'net zero 2050'. Emissions are in line with a climate goal giving at least a 50% chance of limiting global warming to 1.5°C by the end of the century but with considerably higher transition risks than net zero 2050.
- 'Current policies'
  This scenario assumes that only currently implemented policies are preserved, leading to high physical risks. This represents a business-as-usual scenario with minimal meaningful action taken on reducing emissions. Emissions grow until 2080 leading to about 3°C of warming and severe physical risks. This includes irreversible changes, such as higher sea level rise, and potentially the crossing of devastating climate 'tipping points' such as widespread methane release through the melting of permafrost landscape, or the permanent shutdown of the Atlantic Gulf Stream.

Outcomes

The ultimate outcome of this CSA was the identification of the most relevant climate-related risks for our business (summarised below) and a stronger understanding of their potential impacts across the different selected scenarios. The CSA and the scenarios used will be reviewed each year and undergo a full refresh every three years to ensure they remain relevant and appropriate for our business.

Identified Risks

Risk type	**Risks**	**Description**	**Timescale**	**Likelihood**	**Potential impact**	**Management process**
Physical	Extreme weather	If the frequency and severity of events like flooding and hurricanes increase then this may interrupt operations and damage assets and facilities, leading to revenue loss and repairs costs, respectively.	1-5 years	Medium	Medium	Consideration of weather resilience in site selection and building design.
Transitional	Carbon pricing	If carbon taxes are implemented or increased in certain countries then this could cause Games Workshop's cost base to increase.	1-5 years	Low	High	Development of low carbon alternatives for materials and operations (e.g. sourcing on-site renewables)
Physical	Supply chain disruption	If the indirect effects of climate change increase in frequency or severity (eg. Conflict or geopolitical issues) then logistics services may be interrupted and/or their costs may increase.	5-20 years	High	Medium	Consideration of benefits of production and warehousing expansion and diversification

DIRECTORS' REPORT continued

Metrics and targets

We report on all material global emissions using an operational control approach for our scopes 1 and 2, plus selected scope 3 emissions. The methodology used to compile our GHG emissions inventory is in accordance with the requirements of the following standards: the WRI GHG Protocol Corporate Standard (revised version) and DEFRA's Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements (March 2019). Our energy and carbon disclosures for the period 1 May 2021 to 30 April 2022 are set out below:

			2022		Restated** 2021
Scope	Emissions source	UK emissions	Non-UK emissions	Total emissions	Total emissions
Scope 1	Natural gas	278	304	582	651
	Company cars	32	6	38	16
	Other fuels	3	6	9	4
	Refrigerants	19	13	32	59
	Total scope 1	332	329	661	730
Scope 2	Electricity (location based)	2,189	2,813	5,002	3,309
	Total scope 2*	2,189	2,813	5,002	3,309
Scope 3	Air transport	771	905	1,676	6,377
	Sea transport	1,021	817	1,838	1,727
	Road transport	1,810	3,610	5,420	3,612
	Purchase of goods and services	34,268	3,561	37,829	34,417
	Business travel - flights	178	43	221	5
	Business travel - other	32	37	69	34
	Waste	64	165	229	157
	Water	28	3	31	84
	Total scope 3	38,172	9,141	47,313	46,413
Total - all scopes		**40,693**	**12,283**	**52,976**	50,452
Total energy usage (mWh)		**11,705**	**9,462**	**21,167**	16,597

	2022	Restated*** 2021
Carbon intensity (tCO2e/£000) scope 1, 2, 3	**0.128**	0.137
Carbon intensity (tCO2e/sq. ft.) scope 1, 2, 3	**29.47**	28.34

* This work is partially based on the country-specific CO2 emission factors developed by the International Energy Agency, OECD/IEA 2019, but the resulting work has been prepared by Games Workshop and does not necessarily reflect the views of the International Energy Agency.

** In respect of 2020/21, refrigerant emissions have been restated due to better data quality and therefore the total scope 1 for 2020/21 has been revised to reflect this.

*** In previous periods, carbon intensities were based on scope 1 and 2 emissions only. To give a more accurate intensity figure and improve year-on-year comparison, all carbon intensities now include scope 1, 2 and 3 emissions. 2020/21 intensities have been restated to reflect this change.

This year our total GHG emissions for Scope 1, Scope 2 and Scope 3 are 52,976 tCO2e, which is an increase of 5% on last year. This increase is primarily driven by an increase in emissions associated with our purchased goods and services, in line with our growth as a business. Our revenue based emissions intensity has decreased by 6%, from 0.137 tCO2e/£000 in 2020/21 to 0.128 tCO2e/£000 this year.

Further details on our reporting and notable trends are as follows:

- Scope 1 - Our direct scope 1 emissions have decreased by 9% from the previous period. This is largely due to an increase in the quality of consumption data available for natural gas, where previously data had been estimated. Emissions from refrigerants have also reduced, with far lower top-ups required at Memphis this year. Despite this decrease, we have seen an increase of 140% in company car emissions, due to an increase in business travel since the easing of Covid restrictions.
- Scope 2 - This year, our scope 2 emissions have seen an increase of 51%, primarily due to improvements in the quality of data for store electricity usage. In the UK, where a good proportion of actual consumption data has been available in previous periods, the increase is 6%.
- Scope 3 - As in previous periods, scope 3 represents almost 90% of our total emissions, with the most material activities being the purchasing and transportation of goods. This year, we have significantly reduced the volume of long-haul air freight, which has had a significant impact on our freight emissions. While we have seen increases in emissions associated with road and sea freight, in part due to an increase in business activity, freight emissions in total have decreased by 24%.

Metrics and targets continued

Greenhouse gases targets
As part of our commitment to fulfilling our role in tackling climate change, we will be setting a target to reduce our carbon footprint in line with the requirements of the Science Based Targets Initiative (SBTi) and the level of reduction needed to limit temperature rises to 1.5°C. We will report progress on science-based targets next year.

Energy consumption
We are working hard to reduce our energy consumption and associated carbon emissions each period. A significant proportion of our scope 1 and 2 emissions are from our manufacturing and sales operations at our HQ in Nottingham. Whilst we continue to use a mixture of on-site solar and green energy to supply our main site, as well as our 135 retail stores in the UK, our energy and carbon reduction activities are also focused on energy efficiency measures and staff engagement leading from our Energy Savings Opportunity Scheme audits. During 2021/22, we have continued to upgrade light fixtures to LEDs and install PIR light switches throughout our factories, offices and visitor centre.

Plastics
Plastics are one of the main resources that we use in the production and supply of our products. Minimising any waste and ensuring that the waste that is unavoidable is treated in the most sustainable way possible is therefore a key aspect of ensuring our business is as sustainable as possible. We are carrying out a detailed review of waste in our production process. This review will consider; whether plastic packaging is necessary, improvements in how efficiently we use material, increasing the recycled content of the plastics we use and supporting customers in recycling waste plastic associated with our products. We are making some good progress on recycling our stock write offs.

Operational waste
We already employ a number of robust processes to promote responsible and sustainable management of our operational waste. Over the next 12 months, we will consolidate our management of operational waste into a specific plan with clear targets to reduce waste to a minimum and to promote the reuse and recycling of waste that is unavoidable.

People
The people that we work with are one of our greatest assets. Ensuring that we conduct our business in a socially responsible manner and taking responsibility for ensuring people are treated with respect is important if we are to be around forever.

The enjoyment of all things Warhammer by our customers is our priority. By always conducting business in a responsible way, we will ensure that Warhammer is a safe and fun experience for all.

Our objectives and efforts in this area are to support both our direct employees and the wider workforce of our supply chain so they feel valued and respected, and to protect our customers who use our products or visit our stores or events.

Employees
Development and training
Our employees are constantly looking for ways to improve. We strive to create a culture and environment that encourages everyone to achieve their potential.

We continue to invest in our learning and development offer, creating a wide range of content and material for our learning management system which is made available to employees globally. Over the last year, we have delivered management development and personal development courses via this method, as well as a range of other learning content developed according to our needs as a business. We continue to encourage all employees to enhance their personal and professional development.

We have also launched a global induction process for all new starters who join Games Workshop around the world. This ensures that everyone who joins us, regardless of country or role, receives a positive welcome, a consistent understanding of who we are and what we do and an understanding of our culture.

We continue to rely on our strong partnerships with trusted apprenticeship schemes in the UK. These support, complement and enhance our staff recruitment, retention and development, providing us with 'home-grown' employees with the right fit, knowledge and skills for our business. We currently have apprentices working in positions across our manufacturing and engineering teams.

People plan
We continue to carry out a group-wide people plan review on a six monthly basis. This plan is used to identify the jobs which are critical to the ongoing success of Games Workshop and allow us to proactively plan for the future resource needs of the business, mitigate against any resourcing risks and identify the development needs of our staff. The plan is critical to making sure that we have the right people, in the right jobs, at the right time, both now and in the future.

DIRECTORS' REPORT continued

People continued

Staff communications

We are always looking for ways to improve communication with our staff. In recent months we have taken the decision to pause our global communications forum in favour of a monthly global newsletter which allows us to share all business updates across all territories/departments on a regular and routine basis. In addition to this, we have also launched quarterly senior management briefings, whereby senior managers brief all staff in their areas with significant updates from across the business, whilst at the same time allowing staff to ask questions of the senior manager for their area. Later this year, we plan to launch further feedback initiatives so staff continue to feel engaged, included and listened to.

Further details of how we engage with staff, and the effect of this is detailed in our section 172 statement on page 17.

Living wage

The Group maintains the UK national living wage for all UK employees, regardless of age.

Sharesave

The Group operates an employee sharesave scheme as a means of further encouraging the involvement of employees in the Group's performance.

Diversity

The board believes that business can benefit from a wide range of perspectives and backgrounds. The Company's aim as regards composition of the board is that it should have a balance of attitudes and knowledge to enable each director and the board as a whole to discharge their duties effectively. The board and senior management undertook unconscious bias training this year to help ensure that no bias in respect of gender or ethnicity impacts our search for the best person for every job. All employees will have unconscious bias and equality training this year globally via our learning management system to help support and embed these principles. We are also trialling the anonymisation of applications in our recruitment process to ensure we are recruiting the right people from the broadest pool of talent and limit any risk of unconscious bias. The Company does not, however, consider that diversity can be best achieved by establishing specific quotas and targets.

As at the end of the financial period:

		2022			2021	
	Female	**Male**	**Total**	Female	Male	Total
The board	**3**	**2**	**5**	4	3	7
Senior management	**-**	**8**	**8**	-	9	9
Total workforce	**611**	**2,032**	**2,643**	543	1,893	2,436

Disability

The Group's policy is to consider, for recruitment, disabled people for those vacancies that they are able to fill. All reasonable adjustments will be made for disabled workers, and all necessary assistance with training is provided. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Health, safety and wellbeing

Protecting the health and safety of all our employees is a principle we hold dearly. With this in mind, we have continued to invest in our health, safety and wellbeing team over the last year to deliver dedicated health and safety support, expertise and advice to all areas of the business.

This year saw the launch of our latest health and safety policy, which, whilst an evolution of our existing policy, reinforced our key health and safety principles of leadership, managerial ownership and staff involvement.

Whilst continuous improvement is a fundamental aspect of health and safety, a recent surprise visit by inspectors from the Health and Safety Executive (HSE) to our Nottingham site gave the operation a clean bill of health - and whilst we must never become complacent, it was reassuring to know we're setting good standards across the business.

During the year, there were two injuries reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 in the UK (2020/21: two) and six reportable cases reported to the US Occupational Safety and Health Administration (2020/21: five).

Health, safety and wellbeing continued
Alongside the safety of our staff; their wellbeing and physical and mental welfare continues to be a priority - this year has seen us working hard to develop a culture in which talking about these subjects is commonplace; we aren't there yet, but over the course of this year we have made good progress with this. We will continue to work to fully embed this culture, working with our colleagues to understand their needs and build upon these strong foundations.

Our plan to further embed this culture across the business has already begun, with additional training, support and other initiatives launching across the business. The establishment of a wellbeing steering group is helping us ensure that the various aspects of staff wellbeing come together to form a joined up plan.

We also recognise that there will be times in everyone's lives, whether related to work or not, where they need additional support - in these situations we want our people to receive the help they require wherever they are, whatever they're doing and whenever they need it. Our new global employee assistance programme provider helps us to do this more effectively than before. Amongst other things, access in local language through a mobile app improves accessibility for all employees, allowing our people to use this service whenever and wherever they may need it.

The upcoming year will see many more ideas and initiatives being launched as we build upon our now established programme.

Customers
Product safety
Our product safety and integrity team work closely with our design, manufacturing and sourcing teams to ensure that all products sold by Games Workshop are developed, produced and purchased with safety in mind, so that they are safe for use by the intended customer. Over the past 12 months, we have continued to invest in our product safety team, increasing the level of support and expertise available to our design studios and the wider business. We have also launched a new product safety policy across the business, and we are in the process of rolling this out across relevant departments, building on our existing processes and principles. In the past year, we have handled one product recall, in respect of a product manufactured and supplied by a licensed partner.

Health and safety
Our stores are where many of our customers first come to learn about the Warhammer hobby, or chat with fellow hobbyists - it is essential that they are safe places to visit. Our store managers know that the health and safety of their customers is paramount and follow a routine audit programme throughout the year to ensure that our stores continue to meet the high safety standards we set for ourselves. We have monitored local guidance throughout the last year to ensure we remain up to date with these requirements.

Suppliers
Ethical sourcing
We are committed to implementing effective controls to ensure good ethical sourcing standards throughout our supply chain. This commitment is driven by the board throughout the entire Group and a commitment is expected of all who work for, or who supply, Games Workshop. We continue to be a member of an ethical sourcing programme and use this to evaluate our suppliers' ability to safeguard the rights and wellbeing of workers. The programme covers workplace safety, wage payments, working hours, underage labour, freedom of association and the right to collective bargaining, non-discrimination, disciplinary practices, forced labour and environment and chemical safety.

All suppliers of (i) products for resale by Games Workshop, and (ii) components and materials used within products being sold by Games Workshop are required to become supplier members of this ethical sourcing programme and to be audited and maintain valid certification in order to receive orders from Games Workshop. Our suppliers are subject to an annual audit programme to make sure that ethical sourcing standards throughout the Games Workshop supply chain are maintained.

As our business grows and we look for greater opportunities to increase exposure to Warhammer and our IP, we will need a larger set of assessment tools to help us evaluate the ethical sourcing practices of a wider set of suppliers and partners. In 2022/23, we will be supplementing our existing ethical sourcing programme with other ways to complement our coverage across our suppliers and partners.

Anti-slavery
Modern slavery is a crime and a violation of fundamental human rights. Allowing it to take place within an organisation, either consciously or through complacency, results in extensive and unnecessary suffering - often in a way that disproportionately affects groups of the most disadvantaged people. We are committed to acting ethically to implement and enforce effective systems and controls to ensure modern slavery is not taking place within our operations or supply chains. This commitment is driven by the CEO and the board throughout the entire Group and a commitment is expected of all who work for, or who supply into, Games Workshop.

We have recently reviewed and updated our modern slavery statement to provide greater clarity on our management of modern slavery risks. This is available on our investor relations website. Further details of how we engage with suppliers can be found in our corporate governance report on page 33. The effect of this is detailed in our section 172 statement on pages 17 to 18.

Donations
Games Workshop does not make any donations to charities or political parties. Notwithstanding this, this year we have introduced for all employees an allowance to use two working days of their time to do work for their chosen charities.

DIRECTORS' REPORT continued

Research and development
The Group does not undertake research activities. Development activities relate to the development of new product lines and animation. The charge to the income statement for the year in respect of development activities is detailed in note 9 to the financial statements.

Future developments
The future developments for the Group are discussed in the strategic report on pages 4 to 18.

Financial risks
The financial risks facing the Group are set out in note 22 to these financial statements.

Going concern and viability statement
Assessment of prospects
The Group operates a strategic planning process which includes monthly reviews of business and financial performance, regular financial projections and an annual planning review for the next financial period. Medium term projections (for periods ending two years and three years hence) are reviewed taking into account known strategy changes in that time frame. The three year plan considers the Group's growth potential, cash flows and key financial ratios. This strategic planning process is managed centrally, led by the chief financial officer.

Assessment of viability
The strategic plan reflects the directors' cautious view of possible outcomes. It is not used to set targets for performance. The directors have considered a base case going concern model and then modelled the scenarios set out below. Under these scenarios no additional funding is required and there would be no breach of banking covenants as we currently have no funding facilities in place:

- Damage/disruption to our Memphis warehouse meaning we were unable to dispatch from the warehouse for a prolonged period. This would result in disruption to sales across North America.
- Loss of main production factories at the head office site, in Nottingham, to a major incident resulting in a loss of premises, machinery and tooling, impacting our ability to produce miniatures.
- A significant global disruption such as a pandemic, which would result in closure of warehousing and stores for 2 months impacting sales in all channels.

The viability assessment has been conducted for a period of three years which is in line with the Group's strategic planning period as discussed above. The board believes that this time frame is the most appropriate as it is difficult to make meaningful projections beyond three years. This assessment of viability has been made with reference to the Group's current position and future prospects, its strategy and its principal risks and the mitigation in place to manage them. In making the viability assessment the principal risks facing the business have been considered and a number of severe but plausible scenarios assessed for the impact of these on the medium-term projections. The scenarios tested include those tested as part of our going concern review. Stress testing has been performed on the cash projections to determine the extent to which sales can decline before the Group's cash reserves become depleted to the point additional funding and cost reductions would be needed.

Viability statement
Based on the board's assessment as described above and the Group's strong balance sheet, the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period ending 1 June 2025, and that there are no material uncertainties regarding the ability of the Group to operate as a going concern.

Going concern
After making appropriate enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the Group's and Company's financial statements.

On behalf of the board

R Matthews
Company secretary
25 July 2022

CORPORATE GOVERNANCE REPORT

An introduction from our non-executive chair

I have pleasure in introducing the corporate governance report. In this section of our annual report we have set out our approach to governance and provided further information on how the board and its committees operate. We recognise that applying sound governance principles is essential to the successful running of the Group.

As you will see below, we have three principal committees: audit and risk, remuneration and nomination. Their composition and their areas of focus are described below.

Regarding board composition, we are delighted to welcome Randal Casson to the board as our newest non-executive director and chair of the audit and risk committee. We are continuing to develop our board's composition and to effectively manage succession planning. We are currently in the process of recruiting an additional non-executive director with recent relevant experience to add to the team. I am now approaching nine years tenure as a non-executive director at Games Workshop - how quickly that time has flown. I have been delighted to play a part in support of our extremely talented executives and senior management team in growing the business so successfully over this period, initially as a non-executive director and more recently as board chair. I have communicated to the board that following the next appointment and after an appropriate period of induction for these two new board members, I intend to ask the nomination committee to commence a search for my successor as chair. I am very hopeful that my successor will come from within the existing pool of talented non-executive directors, but I expect that all options will be considered. As is appropriate, I will not lead this recruitment process for the nomination committee, but I will lend support in any way I can. We will keep the shareholders appropriately informed when a successor has been appointed.

We also set out below details of our board effectiveness review, which was conducted this year with external support from The Effective Board, alongside our usual internal review process. The external review concluded that our board functions very well with some moderate suggested improvements. We tend to be our own harshest critics and so, unsurprisingly, our internal review has highlighted a number of important development areas that we commit to improve on going forward. There are always areas to work on and we will reflect on the detailed feedback from both processes for any areas of development, in line with our ethos of continuous improvement.

The Games Workshop global communication forum (GWGCF) continued its focus on our culture and values, concluding with a final session in November 2021. As in the prior year, members from the senior operational team and board were invited to participate and share their thoughts on what our culture and values mean to them. Having concluded this 12 month programme, we took the opportunity to reflect on our overall plan on communication and engagement with staff. Our monthly staff newsletter has had a complete refresh this year which is being very well received - it's a great way of ensuring group wide communication on key initiatives like wellbeing, operational updates and for introducing new and existing members of the team from across the global business. Staff are also encouraged to get involved and to feed in news via the internal communications team. Alongside this, we have also started to run quarterly departmental engagement sessions which are open to all staff globally. These serve the dual purpose of the senior management team communicating important key operational and strategic messages across their teams but also opening up the opportunity for all of our staff to ask questions of those tasked with responsibility for running the business and making the big decisions. All of the non-executive directors are encouraged to attend at least one of these sessions annually as part of their keeping in touch with the business but also in ensuring visibility of the board to our staff. In addition to all this, going forward, John Brewis has been asked to take on the role of non-executive director with designated responsibility for employee engagement.

I am satisfied with the standards of governance that the board continues to maintain and build upon. The 2018 UK Corporate Governance Code (the 'Code') has been adopted as required and the Company has complied with the Code save for the matters identified on page 34. At our AGM this year, as usual, all of our directors will be seeking reappointment.

Best regards.

Elaine O'Donnell
Non-executive chair

The Listing Rules of the Financial Conduct Authority require listed companies to disclose, in relation to the Code, how they have applied its principles and whether they have complied with its provisions throughout the accounting period. The UK Corporate Governance Code can be found at www.frc.org.

This statement, together with the remuneration report on pages 38 to 48, and further statements as referenced below, explains how the Company has applied the principles and complied with the provisions set out in the Code.

Reporting requirement	Where this is referenced in this annual report	
Assessment of value over the long-term	Strategy and objectives	Page 4
Understanding the views of other key stakeholders, as set out in section 172	Section 172 statement	Page 17
Provision of means for the workforce to raise concerns in confidence	Whistleblowing	Page 37
Details of meetings of the audit and risk committee	Significant issues considered by the audit and risk committee	Page 35
Assessment of principal risks	Risks and uncertainties	Page 17
Monitoring of risk management and internal control	Internal control Risk management	Page 36 Page 36
Statement of going concern Assessment of the prospects of the Group	Going concern and viability statement	Page 28

The board operates through monthly meetings which senior executives attend on a regular basis. The board is responsible for leading and controlling the Group and monitoring executive management. It considers all issues relating to strategy, management and future direction of the Company. The board is also responsible for assessing and monitoring culture within the Group. During the year, John Brewis has been appointed as the designated non-executive director responsible for staff engagement. This is achieved through regular involvement of the non-executive directors with a variety of employees across the Group as well as attendance at GWGCF meetings during the year and more recently the quarterly staff service line meetings, which have replaced the GWGCF. The board has a schedule of matters reserved to it for decision that is regularly updated; these include decisions on the Group's strategy, financial plans, major capital expenditure and dividend policy. The board is updated about operational decisions through the monthly meetings. It meets at least nine times a year. In 2021/22 the board had 10 scheduled meetings, each of which was attended by all members of the board. Terms of reference for the board committees (as set out below) are available on the Company's website.

The Company maintains an appropriate level of director and officer liability insurance cover and has agreed to indemnify the directors against certain liabilities as discussed in the directors' report on page 19.

A review of the performance of the Group's main business activities is included in the strategic review. The board presents this review, together with the directors' report on pages 19 to 28, to give a fair, balanced and understandable assessment of the Group's position and prospects.

The board

The board comprises the non-executive chair, the CEO, the CFO, and three further non-executive directors. It is chaired by Elaine O'Donnell. The biographies and prior experience of board members are set out on pages 19 to 20.
The senior independent director is John Brewis. The principal responsibilities of this role include:

- to be a sounding board for the chair;
- to be available to shareholders if they have concerns which contact through the normal channels of the chair, the CEO or the CFO has failed to resolve, or for which such contact is not appropriate; and
- to ensure that the performance evaluation of the chair is conducted effectively.

The non-executive directors have a breadth of successful commercial and professional experience and are considered by the board to be independent of the Group.

Sally Matthews stepped down from the board of Games Workshop in November 2021. Randal Casson joined the board 1 July 2022 as a non-executive director and chair of the audit and risk committee.

All of the directors bring an independent judgement to bear on issues of strategy, performance, resources (including key appointments) and standards of conduct. The board considers that it has been supplied with sufficient timely and accurate information to enable it to discharge its duties.

All members of the board have access to the services and advice of the company secretary. There is a procedure for directors to take independent professional advice at the Company's expense where relevant to the execution of their duties. The executive directors attach great importance to ensuring that the non-executive directors are provided with accurate, timely and clear information on the Group. In addition, the non-executive directors are actively encouraged to update continually their knowledge of and familiarity with the Group and the issues affecting it, so as to enable them to fulfil effectively their roles on both the board and its committees.

Board evaluation
In 2021/22 the board undertook an externally facilitated review of its performance, in addition to the board's already established process for the ongoing assessment of its own performance and that of its committees. After considering a number of potential providers, The Effective Board LLP ('TEB') were selected to perform this work. TEB has no other form of connection with the Company.

The scope of the external evaluation included a review of the performance of the board, the three board committees (audit and risk, nomination and remuneration) and, at the time of the review, the five individual directors plus the company secretary. A questionnaire approach was used throughout.

The board evaluation questionnaire was wide in scope with topics including defining success and strategy, composition of the board and the executive team, adequacy of financial and operational resources, communication with stakeholders, performance measurement, risk management systems and a general review of the board's processes, procedures and resources. This was completed by all board directors and the company secretary. The overall conclusion was that this is an effective board and we were pleased that the participants were very closely aligned in their views of the board's effectiveness. Some minor recommendations for improvements were made. These included:

- improving the clarity of board paper documentation around strategic opportunities and risk assessment, incorporating milestones and accountabilities, so that the board can clearly evidence how they monitor and measure success around this. The board has already started to look at the structuring of these papers, taking account of this feedback.
- considering whether it would be beneficial to regularly review the continued avoidance of debt, the size of the cash buffer, the dividend policy and approach to foreign exchange management. This would at least be useful for any new non-executive director joining the Board to understand the rationale and to corroborate part of the risk appetite.
- considering, in light of the strategic priority of having the right quality and number of employees, that the people plan does include keeping the board informed on recruitment and retention data, provides information on training development and induction, and shows how skills gaps are being filled or not. This will require better people data and is currently on the list of IT projects assessed each year.

Alongside the external evaluation, the board did its usual internal assessment of performance against the Games Workshop board job specification. The conclusion was that the board is not yet as effective as we would aspire to be; it is engaged and committed and board papers are well structured to enable quality discussions and informed decision making. There is a universal commitment from the board to doing what is right for Games Workshop in the long term. There is a good balance of tenure with new non-executives joining in recent years supporting the valuable long service of the executive directors but there is a recognition that it will take time for the newer members of the board to become more fully embedded in Games Workshop's culture. This is balanced with a recognition that our new colleagues bring a varied perspective from outside Games Workshop. The board has agreed that there is value in reviewing our long-standing principles and policies and reconfirming our position on these to ensure clarity and alignment for the Games Workshop board of the future.

As noted above, the non-executive chair and the CEO are already co-developing a plan within the board agenda going forward to ensure that feedback from this review is considered and appropriately addressed.

The next externally facilitated review will take place in 2024/25.

Board committees
The board has three principal committees, all with written terms of reference which are published on the Company's website, and which are available on application to the company secretary at the Company's registered office. The company secretary serves as secretary to all three committees. The chairs of the audit and risk committee, the remuneration committee and the nomination committee will be available at the AGM to answer any questions.

Audit and risk committee
The audit and risk committee currently comprises the non-executive directors and is chaired by Randal Casson who is a chartered accountant and has significant relevant financial and accounting knowledge and experience. In the period between Sally Matthews standing down in November 2021 and June 2022, Elaine O'Donnell was both a member and interim chair of this committee. She ceased to be a member following the appointment of Randal Casson as committee chair on 1 July 2022. The audit and risk committee's terms of reference include monitoring the integrity of the financial statements and other announcements relating to the Company's financial performance including reviewing significant financial reporting judgements, internal control and risk assessment and keeping under review the scope, results and effectiveness of the external and internal audits and the independence of the Company's external auditor.

Audit and risk committee report
A more detailed description of the activities of the audit and risk committee and the internal control and risk management systems that are in place are discussed in the audit and risk committee report on pages 35 to 37.

CORPORATE GOVERNANCE REPORT continued

Remuneration committee
The remuneration committee comprises the non-executive directors and is chaired by John Brewis. The remuneration committee comprises the non-executive directors and is chaired by John Brewis. Elaine O'Donnell was a member of this committee from November 2021 until the appointment of Randal Casson in July 2022. The remuneration committee normally meets at least three times a year and is responsible for making recommendations to the board on remuneration policy for all executive directors and senior management (including determining specific remuneration packages, terms of employment and performance incentive arrangements). The procedures and guidelines used by the remuneration committee in determining remuneration are outlined in the separate remuneration report. The remuneration committee held four scheduled meetings in the year, which were attended by all members of the committee. The committee meets without the executive directors at least annually to appraise the executive directors' performance.

Remuneration report
The Company's policy on executive remuneration and details of the executive directors' salaries, profit share and pensions, and fees for the non-executive directors are set out in the board report on remuneration on pages 39 to 48.

Nomination committee
The nomination committee comprises the non-executive directors and is chaired by Elaine O'Donnell. It is responsible for nominating, for approval by the board, candidates for appointment to the board. The committee regularly reviews the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and gives consideration to succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Group and the skills and expertise needed on the board in the future.

As CEO, Kevin Rountree was invited to attend a meeting of the committee and present his current senior management team structure and to discuss succession planning. Succession planning for the executives and the senior management team will always be a key business risk and the committee has committed to reviewing progress on this semi-annually going forward. The committee held four scheduled meetings in the year which were attended by all members of the committee.

Appointments to the board
After announcing that Sally Matthews was stepping down from the board in November 2021, the nomination committee ran a process to find a new non-executive director and chair of audit and risk committee. Finding the right people has always been one of our biggest challenges, including for our board. We take our time to ensure that we run a process free from any bias and we hold our resolve to never compromise our high standards of cultural fit when assessing potential candidates. Sometimes this means that the recruitment process can become quite elongated - but we believe that it is always better to do what is right than what is easy. After an extensive search process starting in November 2021 and concluding in May 2022, Randal Casson was offered the job and joined the board on 1 July 2022.

Newly appointed directors are given training appropriate to the level of their previous experience. Non-executive directors meet regularly with members of the executive and other staff within the Group. In addition, site visits ensure that the non-executive directors gain first-hand experience of developments within the Group.

Any director appointed during the year is required, under the provisions of the Company's articles of association, to retire and seek election by the shareholders at the next AGM.

Stakeholder engagement
The Company understands the importance of engaging with our stakeholders. The board seeks to understand the views and interests of the stakeholder groups detailed below to ensure that these are always considered as part of any decision making.

Shareholders
We maintain an open dialogue with our shareholders. On a continuing basis the Company encourages two-way communication with its institutional and private shareholders and responds promptly to queries received verbally, in writing or directly through its investor relations website, investor.games-workshop.com. In addition to the annual report and half yearly report, the non-executive chair, committee chairs and the CEO and CFO are available to meet and do meet with shareholders and potential shareholders to discuss any questions they may have and ensure that the board has a clear understanding of the views of shareholders. Any issues arising at such meetings are reported to and considered by the board. In 2021/22 matters discussed were in relation to performance of the Group throughout the year. We try to ensure our shareholders have a good understanding of our strategy, business model and culture.

Stakeholder engagement continued

Our people

We rely on the hard work and creativity of employees to make sure we drive the creation of value in the long term. We engage with our employees through formal and informal meetings, which this year has included the GWGCF up until November 2021, more recently replaced by the quarterly territory/departmental meetings as well as the monthly staff global newsletters and local works councils. The matters discussed at the GWGCF and quarterly briefings in particular were circulated to the board and discussed at board meetings to ensure we understand the views and concerns of employees. Throughout the year, members of the board have attended both the GWGCF and the quarterly briefing meetings to help increase board engagement and visibility with employees.

Customers

We engage with our customers through our retail stores, our social media sites, and through warhammer-community.com. This allows two-way communication with our customers. Any recurring topics or points of note are shared with and considered by the board. Senior management also visit retail stores as well as independent retailers to help understand customer views.

Suppliers

The integrity of our supply chain is an essential part of ensuring we design and make great products. Although as a vertically integrated group we are in control of large parts of the design and manufacturing process, it is important that our suppliers share the same standards and ethics as we do. We have strong partnerships with our key suppliers that have been built up over a number of years to ensure we get the best materials through a stable, reliable and responsible supply chain.

Culture

Companies are run by people. Games Workshop is run by people. How our people get on with the task of running Games Workshop and how they get on with one another is vital.

How we behave does matter. Therefore, what we are like does matter.

This is why we make such efforts to recruit people who are likely to have the right qualities to be successful at their job. Everything we do is for the good of Games Workshop, and thereby our customers and colleagues and shareholders. No one's personality is bigger than that; none of us is more important than this ultimate goal. This is a huge challenge and it requires lots of humility, honesty and courage.

That is, humility in recognising we must put Games Workshop's needs first, honesty to identify truly those occasions when we are being driven by our ego or our selfishness, and courage to do something about it.

It is always better to work amongst nice people and to have fun. We love that too. However, the behaviours we are looking for are these – consistency, clarity, firmness, fairness, openness and integrity. What we ultimately mean by 'good behaviour' is evidenced by what we would expect to see:

- an absolute belief that it is better to do what is right rather that what is easy;
- a determination to be cheerful and confident and passionate about this, the best of all jobs;
- an ego-free environment - this leads to people who put the business first and don't have private agendas, people who welcome newcomers that bring the skills we need, people who can criticise themselves and our business but are justly proud of their own and our business's achievements; and
- an absolute commitment to the niche market business model and the quality of our products and services.

Conflicts of interests

The Company's articles of association take account of certain provisions of the Companies Act 2006 relating to directors' conflicts of interests. These provisions permit the board to consider, and if thought fit, to authorise situations where a director has an interest that conflicts, or may possibly conflict, with the interests of the Company. The board has adopted procedures for the approval of such conflicts. The board's powers to authorise conflicts are operating effectively and the procedures are being followed.

Substantial shareholdings

The following interests in 3% or more of the issued share capital of the Company as at 29 May 2022 have been disclosed to the Company:

	No. of shares	%
Baillie Gifford	4,372,095	13.3
BlackRock	2,072,762	6.3
Schroder Investment Management	1,977,186	6.0
Vanguard Group	1,568,241	4.8
abrdn	1,163,362	3.5
Sanford Deland Asset Management	1,135,000	3.5
Capital Group	1,085,916	3.3
J P Morgan Asset Management	1,031,770	3.1

The Company has not been notified of any changes in these interests since the period end. The Company has not been notified of any other substantial shareholdings.

CORPORATE GOVERNANCE REPORT continued

Statement of compliance with the UK Corporate Governance Code
The Company has complied with all of the provisions set out in the Code, with the exceptions of the following:

- compliance with the requirement for share awards, granted to promote long-term shareholdings, to be subject to a total vesting and holding period of five years or more as described in the remuneration report on page 47; and
- the period during which Elaine O'Donnell acted as both chair of the board and as interim chair and a member of the audit and risk committee as detailed on page 31.

On behalf of the board

E O'Donnell
Non-executive chair
25 July 2022

AUDIT AND RISK COMMITTEE REPORT

The report details the role of the audit and risk committee and the work it has undertaken during the year as well as its meeting in July 2022 when this annual report and financial statements were approved.

Committee membership
The audit and risk committee currently comprises the three non-executive directors and is chaired by Randal Casson who recently joined the board following his retirement from the accounting firm, PwC LLP. Sally Matthews served as chair of the committee until November 2021, when she stepped down from the board. In the period between November 2021 and 1 July 2022 Elaine O'Donnell, chair of the board, served as interim chair of the audit and risk committee. She ceased to be a member of the committee on the appointment of Randal Casson on 1 July 2022. The board considers that as serving chairs during the year up to publication of this annual report, each of Sally Matthews, Randal Casson and Elaine O'Donnell have recent relevant financial experience by virtue of their professional qualifications and their previous executive roles. Members of the committee can also demonstrate a breadth of experience across the manufacturing and media sectors through their current and previous roles.

Significant issues considered by the audit and risk committee
The committee had four scheduled meetings during the year which were attended by all members of the committee. It has an agenda linked to the events in the Group's financial calendar. The external auditor met with the committee without management being present and the chair and members of the committee have direct contact with the audit partner as required. During the year the committee:

- reviewed the half-year and full-year results;
- received and considered, as part of the review of the annual financial statements, reports from the external auditor in respect of the auditor's Group audit plan for the year and the results of the annual audit. These reports included the scope of the annual audit, the approach adopted by the auditor to address and conclude upon key estimates and other key audit areas, the basis on which the auditor assesses materiality, the terms of engagement for the auditor and an ongoing assessment of the impact of future accounting developments on the Group;
- considered whether the annual report is fair, balanced and understandable. In doing so, the committee reviewed and discussed with management the content and appropriateness of the information included within the 2022 annual report. This provided the committee with the supporting detail to ensure that it was in a position to report to the board that the 2022 annual report, taken as a whole, was fair, balanced and understandable. This was on the basis that the business description, business model and strategy agreed with its own understanding of the Group, and the balance in the reporting of performance reflected both positive and negative issues and reflected the Group's activities during the year;
- considered the effectiveness and independence of the external auditor. The auditor specifically demonstrated professional scepticism and challenged management assumptions;
- made a recommendation to the board to appoint KPMG as external auditor;
- reviewed the Company's policy on non-audit fees and ensured appropriate safeguards are in place;
- considered and agreed the internal audit work programme and received regular reports on the key issues arising from its implementation during the year; and
- reviewed reports on the key business risks, including a review of the internal control processes used to identify, monitor and mitigate the principal and emerging risks and uncertainties.

The committee received, reviewed and challenged reports from management and the external auditor setting out the significant issues in relation to the 2022 annual report and made their own assessment. These issues were discussed and challenged with management during the year. They were also discussed with the auditor at the time the committee reviewed and agreed the auditor's Group audit plan and at the conclusion of the audit of the financial statements. The issues that were discussed were:

- recognition of royalty income and receivables: the committee considered the recognition or royalty income as revenue in the current year and agreed that the reclassification of this in the prior period was appropriate;
- accounting for right-of-use assets and lease liabilities under IFRS 16: in light of the magnitude of the right-of-use assets and lease liabilities and the manual nature of some of the processes used to account for this, the committee reviewed the accounting and concluded it was appropriate;
- ESG and climate risk disclosures.

The committee calls upon the external auditor, the internal auditor and the executive directors to attend formal meetings as required. These meetings are held at least three times a year. The external and internal auditors are given the opportunity to raise any matters or concerns they may have in the absence of the executive directors at separate meetings with the audit and risk committee or its chair.

AUDIT AND RISK COMMITTEE REPORT continued

Auditor's independence
The committee reviews the independence of the external auditor by assessing the arrangements for the day-to-day management of the audit relationship as well as reviewing the auditor's report which describes their procedures for identifying and reporting conflicts of interest. To maintain the auditor's independence, the committee has also established the policy that the primary role of the external auditor is to perform services directly related to their audit responsibilities. Any non-audit services are approved by the committee. Non-audit fees paid to the auditor amounted to £nil in the year. The Group uses other advisers for taxation advice and other services. The audit fees are disclosed in note 9.

The audit and risk committee considers the re-appointment of the external auditor each year, as well as remuneration and other terms of *engagement. In 2020/21, the committee ran a comprehensive and competitive audit tender process. The decision to appoint KPMG as the* new auditor to the Group was ratified at the 2021 AGM. The committee now recommends the re-appointment of KPMG as external auditor at the 2022 AGM. There are currently no contractual obligations which restrict the choice of external auditor.

Internal control
The directors recognise that they have overall responsibility for ensuring that the Group maintains a sound system of internal control to safeguard shareholders' investment and the Group's assets, and for reviewing its effectiveness. The system is designed to manage risks that may prevent the Group from achieving its business objectives, rather than to eliminate these risks. However, even the most effective system can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place from the start of the period until the date of approval of this report. This process is regularly reviewed by the committee and the board throughout the year.

The effectiveness of the Group's system of internal control is regularly reviewed by the committee and the board. The review covers all material controls, including financial, operational and compliance controls and risk management. The monitoring of control procedures is achieved through regular review by the CFO and the company secretary, reporting to the committee and to the board. This review process considers whether significant risks have been identified, evaluated and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. Regular reporting by senior management ensures that, as far as possible, the controls and safeguards are being operated appropriately. This process is considered by the audit and risk committee alongside the adequacy of the risk management and internal control systems, and the external and internal auditors' reports. The internal control and risk management systems are considered to be appropriate.

The Group has continued its programme of internal audit reviews during the year. The audit and risk committee agrees an annual internal audit plan, focusing on business specific issues. Actions agreed by management, in response to recommendations made, are followed up.

The board, with advice from the audit and risk committee, has completed its annual review of the system of internal control and is satisfied that it has acted appropriately and in accordance with that guidance. During the course of its review of the system of internal control, the board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore, a confirmation in respect of necessary actions is not considered appropriate.

Internal audit
The internal audit team follows a programme of activities that are closely aligned with principal operational risks. Activities are conducted either by a dedicated internal auditor, an internal team that is independent of the area under review or by an external party, decided on a case by case basis. In all cases the review is conducted on behalf of the committee and reports back to them. Reports were discussed with the committee and a remediation plan agreed by management to improve controls where appropriate. Over the year, 13 internal audit reviews were completed. The committee can confirm that the quality, experience and expertise of the function is appropriate.

Risk management
The committee is responsible for assessing the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks. A description of the principal risks and the strategies to manage these risks are included on page 17.

Throughout 2021/22 work has been ongoing to measure the impact of each operational risk to better understand the mitigating actions necessary alongside progress made on each of these actions. The committee is satisfied that good progress has been made on the development of the risk register in this way throughout the year. In addition, there has been good progress made on the documentation of controls testing of the key operational risks into the internal audit programme in the year. The committee expects that this programme will continue to evolve further throughout 2022/23.

Process for preparing consolidated financial statements

The Group has established internal control and risk management systems in relation to the process for preparing the consolidated financial statements. The key features of these systems are:

- Management regularly monitors and considers developments in accounting standards and best practice in financial reporting and reflects developments in the financial statements where appropriate. The external auditor also keeps the committee apprised of these developments.
- The committee and the board review the draft financial statements. The committee receives reports from management and the external auditor on significant judgements, changes in accounting policies, changes in accounting estimates and any other appropriate changes to the financial statements.
- The annual financial statements are subject to external audit.

Anti-bribery and anti-corruption

Bribery and corrupt practices are never tolerated in the pursuit of Games Workshop's business objectives or goals, or within business relationships, or the actions of its employees and associated parties. This commitment is driven from the chief executive and the board throughout the entire Group and a commitment is expected of all who work with the Group and who act on our behalf or are employed or engaged in any capacity by us. The Games Workshop anti-bribery policy reflects Games Workshop's zero tolerance approach to acts of bribery.

Suppliers are also required to follow an ethical sourcing audit programme, detailed on page 27, of which Games Workshop is a buyer member.

Whistleblowing

The board is responsible for the review of the Company's procedures for responding to the allegations of whistleblowers alongside input from the audit and risk committee. Whistleblowing arrangements are in place to enable staff who may, in confidence, want to raise concerns about possible financial reporting irregularities. If an employee does not feel comfortable reporting any potential, suspected, attempted or actual breaches of company policy, they can report such activity to Games Workshop's chair of the audit and risk committee using a dedicated whistleblowing email address. Staff can report any concerns by email without disclosing their identity should they wish to. This whistleblowing procedure is communicated to staff within relevant employee policies. Games Workshop endeavours to protect those who make disclosures of wrongdoing. Any reports made in good faith will be dealt with in confidence (to the extent possible), and the reporting employee shall not be discriminated against as a result of their actions.

On behalf of the board

R Casson
Audit and risk committee chair
25 July 2022

REMUNERATION REPORT

Introduction

The remuneration report for the period ended 29 May 2022 has been prepared on behalf of the board by the remuneration committee in accordance with the requirements of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended, and meets the relevant requirements of the Listing Rules of the Financial Conduct Authority and the UK Corporate Governance Code.

This remuneration report consists of two parts:

- The annual report on remuneration, which sets out payments made to executive directors and non-executive directors and details the relationship between company performance and remuneration for the 2021/22 financial period. This 2021/22 report is subject to an advisory vote at the 2022 AGM.
- The directors' remuneration policy, which sets out the Company's policy on directors' remuneration along with the key factors taken into account in setting that policy. This directors' remuneration policy was approved by over 80% of shareholders who submitted a proxy vote at the 2021 AGM, at which date it became effective.

2021/22 overview

- As in the prior year, no Covid-related government furlough support, subsidies or business rates discounts were utilised during the year.
- A pay increase was applied on 1 June 2021 which averaged 4.1% across all staff, except for the two executive directors.
- Dividends declared were made at the same level as last year.

Company performance

2021/22 core sales performance of £387 million was another record, consolidating year on year growth. Core sales were £221 million in 2017/18, £257 million in 2018/19, £270 million in 2019/20 and £353 million in 2020/21.

While core gross margin of 67.1% was depressed from 72.7% in the prior year, this still delivered record profit before tax of £156 million. (2020/21: £151 million.) This performance was delivered despite external and macro-economic factors and is the result of a great deal of effort and skill, delivered throughout Games Workshop.

Group-wide remuneration

Group Profit Share scheme

Under the remuneration policy approved at the 2021 AGM, all eligible employees (excluding the executive directors) are included within the Group Profit Share scheme. Cash payments were made to eligible staff in December 2021 and May 2022 under the Group Profit Share Scheme. For 2021/22 each eligible employee received a total of £3,500 (2021: £5,000) - in total £9.9 million (2021: Profit share and discretionary payment; £13.2 million).

Senior management bonus

As a result of discussions between Kevin Rountree and the committee, the committee agreed to support a discretionary bonus payable in cash, to a number of individual managers who contributed to the Company's outstanding performance. The committee was pleased to support this proposal in recognition of the extraordinary effort and skill required to deliver these results.

Exceptional Bonus Award

In 2021, in consultation with shareholders, the committee undertook to articulate exceptional performance and to appropriately exercise its discretion in making any Exceptional Bonus Award in future years.

For the financial and operational performance reasons outlined last year, particularly the continued growth in core sales from £353 million in 2020/21 to £387 million in 2021/22 and growth in profit before taxation from £151 million in 2020/21 to a profit before taxation of £156 million in 2021/22, the committee agreed that the threshold for 'exceptional performance' had been reached in 2021/22. The committee applied discretion and deemed it appropriate to award each of the executive directors an Exceptional Bonus Award of 90% of base salary, which is 60% of the 150% maximum allowed under the new policy.

The remuneration committee will retain the discretion to assess 'exceptional' going forward and reaffirms its promise to exercise its discretion appropriately and to explain the circumstances where an Exceptional Bonus Award is paid.

As a board we have high performance expectations, and the executive directors are even more demanding of themselves and of their teams. Consequently, due to the stretching nature of underlying performance criteria for the Exceptional Bonus Award that the policy allows, the committee does not necessarily anticipate that awards will be made under the Exceptional Bonus Award each and every year.

The remuneration committee notes that our policy will never fully address the shortfall in total remuneration compared to the majority of FTSE peers because neither the committee nor the executives themselves believe that LTIPs are in line with Games Workshop's culture and values.

Looking to the future, the committee will continue to monitor the consistency of the remuneration policy across the Group with a view to ensuring that an appropriate reward structure exists to recognise and retain our key executives. As part of this process the committee will continue to keep under review and discuss regularly, the effectiveness of the Company's approach to remuneration and its component parts.

The committee will continue to engage key stakeholders during the years ahead in order to consider any modifications which should be made beyond the 2020 changes to executive base pay or the operation of the Group Profit Share scheme and the Exceptional Bonus Award described within this report, which we submit to shareholders for approval at the 2022 AGM.

John Brewis
Chair
Remuneration committee

Annual report on remuneration

Remuneration policy
This part of the report sets out the directors' remuneration policy, which was approved by shareholders at the 2021 AGM.

The aim of the Group's remuneration policy is to reward fairly and to attract, motivate and retain high quality management. The total size of the remuneration package for executive directors is judged by and compared with the remuneration packages of similar companies, having regard to:

- the size of the company, its turnover, profits and number of people employed
- the diversity and complexity of the business
- the geographical spread of the business
- the growth and expansion profile

Under our terms of reference, the remuneration committee is able to employ remuneration consultants to provide reference and advice, which is subject to independent evaluation by the committee. During 2021/22, no remuneration consultants were employed to review executive rewards.

The Company's non-executive directors are remunerated with fees in line with market rates. They do not receive any pension or other benefits, other than the reimbursement of reasonable expenses, and they do not participate in any bonus or share schemes.

Remuneration policy table
The table below summarises each of the components of the remuneration package for directors of the Company which comprise the policy approved at the 2021 AGM. The committee may make minor changes to the policy, which do not have a material advantage to the directors, to aid its operation or implementation, taking account of the interests of shareholders but without the need to seek shareholder approval.

Component	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Salary	Core element of fixed remuneration, reflecting the size and scope of the role. Purpose is to recruit and retain directors of the calibre required for the business.	Reviewed annually and usually fixed for 12 months from 1 June. There is no entitlement to an annual increase. Takes into consideration the director's role and attitudes. Takes into account prevailing market conditions and is aligned with staff pay reviews. Externally benchmarked by independent remuneration consultants from time to time against companies of a similar size and complexity.	There is no prescribed maximum annual increase in salary. Salaries are reviewed taking into consideration salary increases across the Group. Increases out of line with the workforce are carefully considered but may be awarded taking all relevant factors into account, for example, increases in scope and responsibility or salary falling significantly below market positioning.	Not applicable, although the individual's contribution and overall performance is one of the considerations in determining the level of any salary increase.

REMUNERATION REPORT continued

Component	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Benefits	Ensures the overall package is competitive. Purpose is to recruit and retain directors of the calibre required for the business. Participation in the sharesave scheme creates staff alignment with the Group and promotes a sense of ownership.	The executive directors each receive life assurance cover. The sharesave scheme is a HMRC approved monthly savings scheme facilitating the purchase of shares at a discount. Where appropriate other benefits may be offered including allowances for relocation and other expatriate benefits.	Set at a level which the committee considers appropriate against the market and provides a sufficient level of benefit based on individual circumstances. Sharesave contributions are as permitted in accordance with the relevant tax legislation.	Not applicable.
Pension	To provide cost effective retirement benefits.	Participation in a group personal pension scheme.	Up to 7.5% of salary up to a maximum of £4,000 per annum. Subject to changes in pension tapering by HMRC, any excess between 7.5% of salary and £4,000 is paid as additional salary (net of employers' national insurance).	Not applicable.
Exceptional Bonus Award	Rewards exceptional performance.	Any pay-out is determined by the committee after the period end, based on performance. Awards are payable in cash with 67% of the net amount required to be invested in the Company's shares, with an expectation that these are held for at least three years.	Maximum potential value is 150% of base salary.	The payment is at the discretion of the committee based on exceptional financial and operational performance being achieved during the year.
Non-executive directors' fees	Sole element of non-executive director remuneration is set at a level that reflects market conditions.	Fees are reviewed annually taking into account time commitment, responsibilities and fees paid by comparable companies. Additional fees are paid to the senior independent director to reflect additional responsibilities. Non-executive directors are entitled to claim reasonable out of pocket expenses in connection with the performance of their duties.	Fees are based on the level of fees paid to non-executive directors serving on boards of listed companies of a similar size and complexity.	Not applicable.

Changes to the remuneration policy

As described in the first section of this remuneration report, under the policy approved at the 2021 AGM, the remuneration committee applied the revised terms of the Group Profit Share scheme and Exceptional Bonus award, for the full year. No other changes have been implemented during the year.

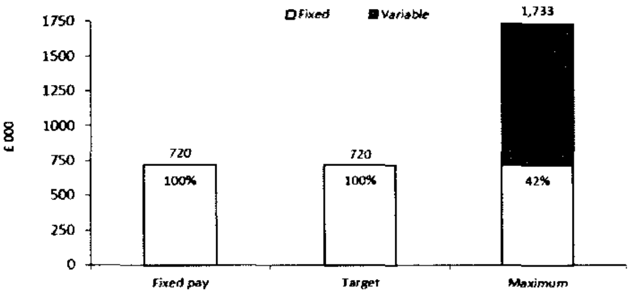
Explanation of the performance metrics chosen

The performance measures selected are aligned with the Company's strategy and business objectives. The remuneration committee considers a basket of financial measures when applying discretion to any payments under the terms of this policy.

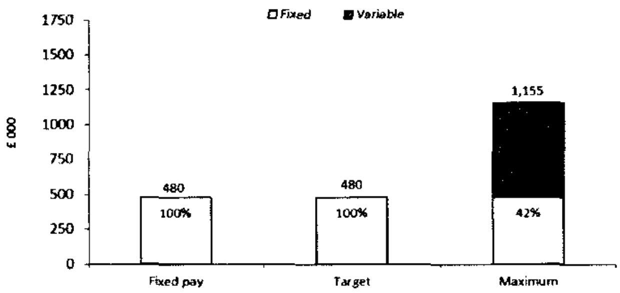
Illustration of application of the policy

The charts below show the relative split of remuneration between fixed pay (base salary, benefits and pension) and variable pay (exceptional bonus award) for each executive director on the basis of minimum remuneration, remuneration receivable for performance in line with the Company's expectations and maximum remuneration.

K D Rountree



R F Tongue



	Minimum	In line with expectations	Maximum
Fixed pay	Fixed elements of salary, benefits and pension. Salary is at 29 May 2022 and the value of benefits has been assumed to be equivalent to that included in the single figure remuneration table on page 43.	As per minimum	As per minimum
Exceptional Bonus Award	Nil	Nil	150%

Remuneration and nomination committees

The remuneration committee is appointed by the board and comprises John Brewis (chair), Kate Marsh, Randal Casson and Elaine O'Donnell, who was considered independent on her appointment as Chair of the board. The remuneration committee is responsible for setting the remuneration packages of the executive directors as well as approving their service contracts. The nomination committee comprises Elaine O'Donnell (chair), John Brewis, Kate Marsh and Randal Casson. The nomination committee is responsible for the composition of the board. The terms of reference for both committees are available on the Company's investor relations website.

Differences in policy from the wider employee population

The Company aims to provide a remuneration package that is market competitive, complies with any statutory requirements and is applied fairly and equitably across the wider employee population. Where remuneration is not determined by statutory regulation, the Group operates the same core principles for the wider employee population as it does for the executive directors, namely:

- to remunerate people in a manner that allows for stability of the business and the opportunity for sustainable long-term growth
- to seek to remunerate fairly and consistently for each role with due regard to the marketplace and internal consistency
- to apply the profit share equally to all employees (excluding the executive directors)
- to encourage employees to own shares through the operation of the sharesave scheme.

As is common practice, the Company has introduced elements of variable pay through an Exceptional Bonus Award which is focused on the executive directors to ensure that the overall remuneration policy remains market competitive.

Remuneration policy for new directors

When setting the remuneration package for a new executive director, the committee would seek to apply the same principles and implement the policy framework as set out above. Base salary will be set at a level appropriate for the role and the experience of the director being appointed. Benefits, pension and the Exceptional Bonus Award will be in line with the stated policy. Any buy-out award, should one be required, would be limited to the amount of salary that would be foregone.

Non-executive director fees will be set at a competitive market level, reflecting the skills, knowledge, experience, responsibilities and time commitment.

REMUNERATION REPORT continued

Directors' service contracts and letters of appointment

Executive	Date of contract	Unexpired term of contract	Notice period
K D Rountree	25 February 2009	Rolling contract	12 months
R F Tongue	25 March 2015	Rolling contract	12 months

Non-executive	Date of appointment	Date of last re-election at an AGM	Notice period
N J Donaldson*	18 April 2002	-	6 months
E O'Donnell	28 November 2013	15 September 2021	6 months
J R A Brewis	20 June 2018	15 September 2021	6 months
K E Marsh	24 July 2019	15 September 2021	6 months
S Matthews**	1 November 2020	15 September 2021	6 months
R Casson	1 July 2022	-	6 months

*retired on 31 May 2021
**stepped down on 28 November 2021

Directors' service contracts and letters of appointment continued
In accordance with best practice and as set out in the Code, notice periods in new service contracts for executive directors are set at one year. Non-executive director appointments are made through letters of appointment for a one-year term, subject to election and re-election by the Company's shareholders in accordance with the Company's articles and the Code. The letters of appointment may be inspected at the Company's registered office.

Policy on payment for loss of office
If an executive director's employment is to be terminated, the committee's policy in respect of the service agreement (in the absence of a breach of the service agreement by the director) is to agree a termination payment based on the value of base salary and contractual pension and other benefits that would have accrued to the director during the contractual notice period. Depending on the particular circumstances, a director may work the notice period, be placed on garden leave for some or all of the notice period or receive a payment in lieu of notice in accordance with the service agreement. The committee will consider mitigation to reduce the termination payment to a leaving director when appropriate to do so, having regard to the specific circumstances.

Non-executive directors' appointments may be terminated without compensation but with six months' notice.

External appointments
The executive directors may each accept one external appointment with the prior approval of the board, from which any fees may be retained. At present, neither of the executive directors hold any outside directorship.

Consideration of employment conditions elsewhere in the Group
The Group aims to provide a remuneration package to all employees that is market competitive, complies with any statutory requirements and is applied fairly and equitably across the employee population, taking into account local employment market conditions.

The committee takes into account the general basic salary increase being offered to employees elsewhere in the Group when annually reviewing the salary increase and remuneration of the executive directors. Employees are not consulted in respect of board remuneration. The committee also reviews general workforce remuneration and the alignment of incentives with Games Workshop's culture to ensure it remains appropriate.

Engagement with the workforce took place through attendance by committee members at the Games Workshop Global Communications Forum meetings and attendance at the new quarterly departmental meetings, which all of our non-executive directors are encouraged to attend by rotation. This has been bolstered by the recent appointment of John Brewis as the non-executive director responsible for developing a plan for more effective board and employee engagement.

Consideration of shareholder views
The committee takes into account shareholder feedback received on remuneration matters, including comments in relation to the resolutions at the AGM in addition to any additional comments in correspondence received directly by the Company. The committee would seek to engage directly with major shareholders should any material changes be made to the policy.

Annual report on remuneration (subject to audit)
The tables below set out in a single figure the total remuneration, including each element, for each person who served as a director of the Company during the financial periods ended 29 May 2022 and 30 May 2021.

52 weeks ended 29 May 2022

	Salary/fees £000	Pension related benefits £000	Total fixed pay £000	Sharesave option £000	Exceptional Bonus Award £000	Total variable pay £000	**Total £000**
K D Rountree	716	4	720	-	607	607	**1,327**
R F Tongue	476	4	480	-	405	405	**885**
N J Donaldson*	-	-	-	-	-	-	**-**
E O'Donnell	144	-	144	-	-	-	**144**
J R A Brewis	62	-	62	-	-	-	**62**
K E Marsh	54	-	54	-	-	-	**54**
S Matthews**	53	-	53	-	-	-	**53**
Total	1,505	8	1,513	-	1,012	1,012	**2,525**

*N J Donaldson retired from the board on 31 May 2021
**S Matthews stepped down from the board on 28 November 2021

52 weeks ended 30 May 2021

	Salary/fees £000	Pension related benefits £000	Total fixed pay £000	Restated Sharesave option £000	Exceptional Bonus Award £000	Restated Total variable pay £000	Restated Total £000
K D Rountree	649	4	653	6	613	619	1,272
R F Tongue	409	4	413	6	388	394	807
N J Donaldson	103	-	103	-	-	-	103
E O'Donnell	93	-	93	-	-	-	93
J R A Brewis	55	-	55	-	-	-	55
K E Marsh	52	-	52	-	-	-	52
S Matthews*	30	-	30	-	-	-	30
Total	1,391	8	1,399	12	1,001	1,013	2,412

*S Matthews was appointed on 1 November 2020

In the prior period, the single figure table disclosed the gain on sharesave options exercised by the directors of £239,000 rather than the value of the sharesave options granted in the year of £12,000. Disclosure of the remuneration with respect to the grant of these options should have been included in the single figure table in 2018. The prior period single-figure table has been restated accordingly.

The figures in the single figure tables above are derived as follows:
Salary/fees - the amount of salary/fees received in the year including any additional salary due in excess of the pension tapering limits.
Pension related benefits - the cash value of pension contributions received by the executive directors. This includes the Company's contribution into the group personal pension scheme.
Sharesave option - the value of the sharesave option granted is based on the difference between the share price at grant and the offered exercise price.
Exceptional Bonus Award - 60% of the maximum potential award of 150% of salary was accrued in relation to performance in 2021/22 and 100% of salary was accrued in relation to performance in 2020/21.
No taxable benefits or payments for loss of office were paid during 2021/22 and 2020/21.

CEO remuneration restated

Period	CEO	Total remuneration £000	% of maximum exceptional bonus award paid	% of maximum profit share paid ***
2022	K D Rountree	1,327	60	n/a
2021	K D Rountree	1,272	100	50
2020	K D Rountree	667	20	100
2019	K D Rountree	1,077	20	100
2018	K D Rountree	438	100	100
2017	K D Rountree	401	n/a	100
2016	K D Rountree	402	n/a	-
2015	K D Rountree	168	n/a	-
2015	T H F Kirby*	291	n/a	-
2014	T H F Kirby	511	n/a	-
2013	T H F Kirby	132	n/a	54
2013	M N Wells**	774	n/a	-

*T H F Kirby stepped down as CEO on 31 December 2014 and K D Rountree was appointed CEO with effect from 1 January 2015.
**M N Wells resigned on 31 January 2013 and so all of his remuneration for 2012/13, including the payment for compensation for loss of office, is included in this table.
***Maximum profit share paid was between £1,000 and £250.

REMUNERATION REPORT continued

Percentage change in directors' remuneration

The table below shows how the percentage change in the directors' salary/fees in 2021/22 compares with the percentage change in the average remuneration and profit share of all employees within the Group. The committee has selected the Group's entire staff population (excluding the directors) as these represent the most appropriate comparator.

		Executive directors		Non-executive directors			Former directors	
	Wider workforce	K D Rountree[1]	R F Tongue[1]	E O'Donnell[2]	J R A Brewis[3]	K E Marsh[4]	S Matthews[5]	N J Donaldson[6]
Salary/Fees								
2021/22	4.1%	10.2%	16.3%	54.5%	11.7%	3.0%	3.0%	-
2020/21 restated	4.0%	17.7%	31.2%	62.0%	6.4%	16.9%	-	-26.2%
Bonus								
2021/22	-18.7%	-1.0%	4.4%	n/a	n/a	n/a	n/a	n/a
2020/21	78.2%	483.8%	546.7%	n/a	n/a	n/a	n/a	n/a
Profit share/ discretionary payment								
2021/22	-30.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2020/21	400.0%	-50.0%	-50.0%	n/a	n/a	n/a	n/a	n/a

1. The increase in salary percentage in both 2021/22 and 2020/21 is a result of a salary increase on 1 November 2020 following a benchmarking exercise.
2. E O'Donnell was appointed as non-executive chair on 1 January 2021
3. J R A Brewis was appointed senior independent director on 1 January 2021
4. K E Marsh was appointed on 24 July 2019
5. S Matthews was appointed on 1 November 2020 and stepped down from the board on 28 November 2021. The percentage change in her base salary has been calculated on an annualised basis.
6. N J Donaldson retired from the board on 31 May 2021 and earned no salary within the year

The wider workforce salary change for 2020/21 has been restated due to a change in the calculation in the current year. The salary increase is now calculated at an employee level.

The bonus included within the wider workforce is only payable to a small number of employees.

The profit share payment to the CEO and CFO was £500 in 2020/21 and not applicable in 2021/22 in accordance with the change in remuneration policy in the prior year meaning directors are no longer eligible for the profit share. The wider workforce was paid a profit share/discretionary payment of £3,500 in 2021/22 and £5,000 in 2020/21. In the prior year, the potential value of the profit share scheme was £1,000 per year and a further discretionary payment was made. In the current year, the profit share scheme now allows for a share of up to 10% of core operating profit.

Remuneration cost and profit share/discretionary bonus for the wider workforce have been calculated using the average exchange rates for the period ended 30 May 2021 for both periods.

CEO pay ratio

We publish our CEO pay ratio in accordance with the Companies (Miscellaneous Reporting) Regulations 2018. In order to calculate our CEO pay ratios for 2021/22, we opted for Option A as this is the most statistically accurate method. For Option A, the total FTE remuneration for all the Group's UK employees for the relevant financial period is determined and those employees are ranked from low to high, based on their total FTE remuneration. The employees whose remuneration places them at the 25th, 50th (median) and 75th percentile points are then identified.

2021/22

	CEO	25th percentile	50th percentile	75th percentile
Pay ratio		56:1	46:1	35:1
Total pay (£000)	1,327	24	29	37
Base salary (£000)	716	21	27	31

2020/21 Restated

	CEO	25th percentile	50th percentile	75th percentile
Pay ratio		56:1	44:1	33:1
Total pay (£000)	1,272	23	29	38
Base salary (£000)	649	18	24	29

To calculate these ratios, we determined the full time equivalent (FTE) pay and benefits for all UK employees in the financial period 2021/22 based on actual earnings reports as at 29 May 2022. The pay and benefits used to calculate the ratios include basic salary, pension, bonus payments, profit share, sharesave option and additional payments in relation to their role. Where an employee joined part way through the year, the monthly FTE pay was calculated and applied to the months before they joined.

CEO pay ratio continued
In the year, the CEO was awarded an Exceptional Bonus Award of £607,500, (60% of the maximum 150% of base salary allowed under the new policy) compared to £613,000 (100% of the maximum 100% of base salary allowed under the old policy).

The multiple of the CEO's remuneration, compared to percentiles within the workforce are considered by the committee when making judgements around executive reward. The committee accepts that the result of the remuneration policy will lead to the executive directors' remuneration being a considerable multiple, compared to other elements of the organisation. In reviewing executive remuneration and the CEO multiple, the committee has taken a number of themes into account:

- One of the guiding principles of our policy is that in order to 'attract and retain' talented staff we need to have remuneration, which is in line with what Games Workshop employees could earn in a broadly similar role in a broadly similar organisation. As this is true throughout the organisation it must also apply to our executive directors. The amount our executive directors could earn in other organisations is available for all to read in the publicly available annual reports published by other companies in the FTSE. The absence of LTIPs means that the potential total remuneration available to our executive directors is significantly lower when compared to other companies within the FTSE 250.
- Games Workshop has an established track record of internal promotion, blended with external recruits who fit with the organisation and bring additional expertise. While the remuneration packages of our two executive directors are significant, the fact that they have both achieved these positions after more than twenty years' service with the Company is evidence that others could do too.
- This multiple is clearly largest when compared to employees at the lower end of the pay spectrum, but this is moderated to some extent by the Company's decision to:
  -pay the minimum living wage, regardless of age
  -ensure that Exceptional Bonus Awards are not made to executive directors unless the Group Profit Share Scheme is also paid
  -award the Group Profit Share equally, to all staff, which represents a higher percentage payment to lower paid staff.

We are satisfied that the ratios accurately reflect our approach to pay and benefits.

Share price changes
The directors' remuneration does not vary depending on share price appreciation or depreciation.

Relative importance of spend on pay
The following table sets out the percentage change in dividends, profit attributable to owners and employee remuneration for the period ended 29 May 2022, compared to the period ended 30 May 2021:

	2022 **£m**	2021 £m	% change
Total staff costs	**105.7**	99.9	5.8
Profit attributable to owners	**128.4**	122.0	-0.5
Dividends declared	**77.1**	76.9	-

Statement of voting at the last AGM
At the last AGM, significant votes on remuneration related resolutions were cast as follows:

	Votes for	% of vote	Votes against	% of vote	Votes withheld	% of vote
To approve the remuneration policy	20,355,278	81.7	3,488,250	14.0	1,082,664	4.3
To approve the remuneration report	20,074,607	80.5	4,109,527	16.5	741,058	3.0

The board of Games Workshop remains fully committed to shareholder engagement and welcomes ongoing dialogue with all investors

Implementation statement
A summary of the remuneration arrangements in 2021/22 and how the policy will be applied during 2022/23 is set out below:

The structure of the remuneration policy is clear:
The remuneration committee has an open and robust dialogue with our executives, who clearly understand the policy. In the prior year, *preceding the approval of the amended remuneration policy, the chair of the remuneration committee directly communicated and* consulted with all shareholders who hold 2% or more of the Company's shares.

The structure of the remuneration policy is simple:
The fixed element of our executives' remuneration is made up of a fixed base salary with a defined percentage pension contribution, which is equal to the percentage contribution available to the wider workforce. Our policy avoids the use of additional benefits or allowances. The variable element of executive remuneration is made up of a single Exceptional Bonus Award, which is awarded at the independent discretion of the remuneration committee in the event that proven, exceptional performance has been delivered.

The structure of the remuneration policy avoids risks:
Our remuneration policy avoids the potential for reputational risks from excessive rewards and the behavioural risks that might arise from target-based incentive plans simply and effectively - by not including any target-based incentives.

REMUNERATION REPORT continued

The remuneration policy has predictable outcomes:
The outcomes of the potential rewards are subject to clear limits and caps. The Exceptional Bonus Award is directly related to base salary alone, with a maximum potential bonus payment of 150% annually to each of our two executive directors.

The remuneration policy reflects a focus on delivery of our strategy and is aligned to company purpose, values and culture:
A focus on the long-term is deeply embedded in the strategy of the company and the behaviours and values of our two executive directors. Our mission is to 'make the best fantasy miniatures in the world, to engage and inspire our customers, and to sell our products globally at a profit. We intend to do this forever'. 'Forever' is a very important word to us and all of our decisions are focused on long-term success and not short-term gains.

2021/22 represents the first period of implementation of the new executive remuneration policy, approved at the 2021 AGM as part of a three-year cycle. The remuneration committee made decisions and applied discretion during the year, under the terms of this policy. Overall, the aim of the remuneration committee is to operate a remuneration policy designed to;

- attract, retain and motivate high quality management and to reward them fairly and consistently;
- balance the interests of our stakeholders, particularly shareholders and the experience of the wider workforce;
- support the Company's strategic statement, particularly the phrases 'we intend to do this forever' and 'our decisions are focused on long-term success, not short-term gains'; and
- reflect the Company's culture. This is of great significance as we believe that Games Workshop's culture is fundamental to the Company's success.

As such, the main focus of our remuneration policy continues to be on the fixed elements of pay. The Exceptional Bonus award is just that - a reward for delivering proven, audited, performance that is viewed as 'exceptional' by the independent judgement of the non-executives on the remuneration committee. There is no potential for formulaic outcomes, which might reward poor performance.

Salary - fixed pay
While no consultants were employed to review executive remuneration during the year, the committee continues to monitor our executive directors' rewards, relative to other companies. In doing so, we consider the various elements of executive benefits - base salary, fixed pay, variable pay and total remuneration. The base salaries of the executive directors were not increased during the year.

The executive directors continue to receive a pension based on a percentage of their base salary, which is equivalent to that available to the wider workforce. At 7.5%, this is considerably lower than that shown in external analysis of employer pension allowances made to executives elsewhere in the FTSE 250. This is important when comparing total fixed remuneration rather than base salary alone.

Variable pay
The maximum Exceptional Bonus Award is up to 150% of base salary for the two executive directors, per year. The performance criteria are at the discretion of the remuneration committee.

The remuneration policy is intended to 'motivate' our management to deliver a high level of performance.

The committee notes that our remuneration policy differs from that in many other companies within the FTSE. This is a reflection of our belief that, culturally, our managers and colleagues want to deliver a high level of performance and the use of complex and formulaic incentive programmes might have unintended consequences and do more harm than good.

The committee confirmed its opinion that the remuneration package for our executive directors should not include LTIPs. We believe that LTIPs could have the potential to unbalance the organisation with individuals being incentivised to achieve personal goals, at the expense of the wider organisation.

The committee confirmed its belief that the recognition of exceptional performance has a potential motivational impact on teams and on individuals and agreed that the structure of the Exceptional Bonus Award, designed to recognise and reward exceptional performance of our executive directors, remains fit for purpose.

Sharesave
A further award of options will be made under the new sharesave scheme during the year which is on the same basis as previous years and available to all eligible employees.

Stakeholder alignment and wider governance context
In order to align with the experience of shareholders, the executive directors are required to invest 67% of any cash bonus payments (post tax) in the Company's shares on the open market, after the results have been published and that these shares are expected to be held for three years. There is no dilution of shares, no compensation for taxation issues and Exceptional Bonus Award payments to the executive directors are subject to clawback. The committee notes that there may be more tax efficient mechanisms to achieve this share purchase, but the executives choose not to employ these alternatives, believing it inappropriate to use the Company's tax resources for the benefit of two individuals.

Stakeholder alignment and wider governance context continued
The Group Profit Share Scheme allows up to 10% of core operating profit, to be paid, equally, to all staff (other than the two executive directors). These payments are also subject to the independent discretion of the remuneration committee, ensuring the variable elements of the executive directors' remuneration are completely aligned with the experience of the wider workforce

In applying discretion to both the Exceptional Bonus Award and the Group Profit Share scheme, the committee prevents formulaic outcomes and strengthens the alignment of experience between awards to the executive directors, shareholders and the wider workforce.

When considering the potential payment of an exceptional bonus, the committee applies discretion to a suite of financial indicators including growth, margin, Group profit, earnings per share, cash generation and dividend payments made. If performance against this basket of criteria is exceptional, the Group will have generated sufficient profit and cash to have paid dividends to shareholders and appropriate cash payments to all staff under the Group Profit Share scheme. Each of these stakeholders are considered by the committee before making bonus payments to our executive directors.

There are no elements of executive variable pay that are assigned to the achievement of specific non-financial goals. The committee's view is that progress with the implementation of strategic objectives, completion of particular projects or progress with ESG elements are fundamental to our executive directors' roles and the isolation of particular elements to attract specific reward might distract from the performance of the business in the round or inadvertently emphasise the priorities of a particular stakeholder.

The Exceptional Bonus Award does not contain a mechanism to pay out for 'on target' performance. This may amplify complexity when comparing with other FTSE companies where threshold payments are applied, but our position is that performance that is in line with expectations is covered by the base salary element of the remuneration package.

The committee notes the initiatives of other companies to use ESG targets as a mechanism to trigger bonus awards. Our decision not to do this should not be interpreted as a lack of commitment to ESG. In fact, Games Workshop's long-established strategic statement emphasises our intention 'to do this forever'. This is such an entrenched part of Games Workshop's ethos that we do not believe that we should introduce specific targets which might distract from or emphasise particular elements of this intent. Our expectation is that ESG progress is covered by the base salary element of the remuneration package.

We are aware that the Code states that remuneration schemes should promote long-term shareholdings by executive directors to support alignment with shareholder interests, with the Code stating that 'share awards granted for this purpose should be released on a phased basis and be subject to a total vesting and holding period of five years or more.' Our position remains that the benefits of granting LTIP share awards 'for this purpose' are outweighed by the potential negative impact of LTIPs on the unique culture of Games Workshop and the potential to widen the multiple of CEO and CFO remuneration, when compared to the wider workforce.

In association with the remuneration committee's judgement to retain a policy without LTIP share awards, we maintain our position where the executive directors are not subject to in-employment nor post-cessation minimum shareholding requirements.

We have chosen not to impose these conditions as, based on their conduct, long service and consistent outstanding performance, the committee is satisfied that our executive directors' behaviour is focused on the long term and is aligned with shareholder interests.

At the time of writing, both executive directors have significant shareholdings, all of which have been purchased from their personal post-tax resources.

Conclusion
The board takes seriously its responsibilities in applying the principles of UK corporate governance - properly incentivising executive directors and senior management forms part of this responsibility.

The committee and the board's philosophy to pay and reward remains the same, believing that the main focus of the remuneration policy should be on the fixed elements of pay. The committee continues to discuss and is very mindful of the risks of incentive plans and complex bonus schemes driving short-term and/or individual behaviour which are not in the interests of the Company and its shareholders. As such, the committee has no intention of introducing any form of long-term incentives at this time. However, the committee undertakes to seek to be appropriately informed on market dynamics and to listen to the Company's key stakeholders, in order to ensure that the executive directors are appropriately rewarded, retained and motivated

Advisers
No advisors were employed to review executive remuneration during the period 2021/22.

Directors' interests in shares of the Company (subject to audit)

The directors' interests (including their families) in the shares of the Company were as follows:

	As at 29 May 2022		As at 30 May 2021	
	Ordinary shares of 5p each		Ordinary shares of 5p each	
	Beneficial	**Non-beneficial**	Beneficial	Non-beneficial
K D Rountree	**9,343**	-	7,689	-
R F Tongue	**7,730**	-	6,860	-
E O'Donnell	**2,857**	**2,943**	2,500	2,593
J R A Brewis	**214**	-	214	-
K E Marsh	**378**	-	-	-
S Matthews*	-	-	-	-

* S Matthews stepped down from the board on 28 November 2021

Share options (subject to audit)

Share options granted to the directors under the sharesave scheme were as follows:

	Number as at 31 May 2021	**Number as at 29 May 2022**	Exercise dates Commencement	Expiry	Exercise price
K D Rountree	252	**252**	Nov 2023	Apr 2024	£71.4627
R F Tongue	252	**252**	Nov 2023	Apr 2024	£71.4627

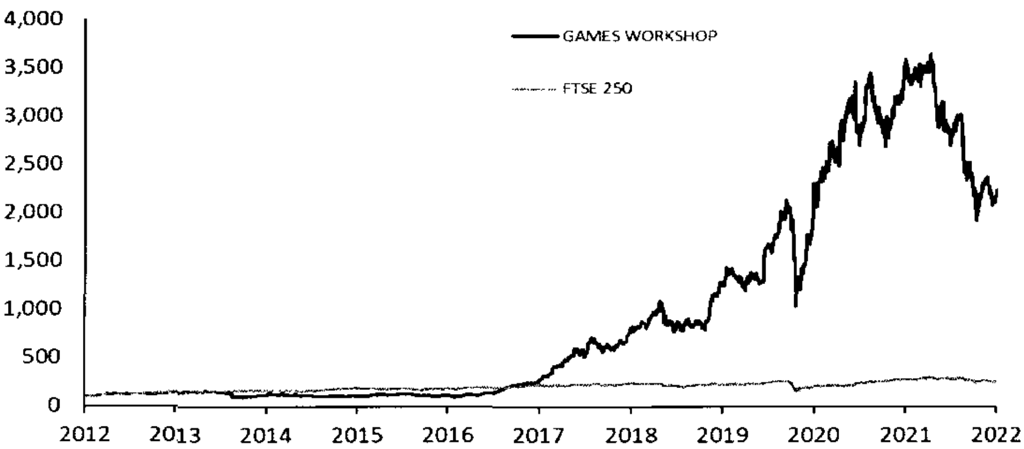
The options above were granted under the Games Workshop Group PLC 2015 Sharesave Scheme which grants options at a 20% discount on the market price at grant. Participants save a fixed amount monthly for three years in order to fund the exercise of the option. At exercise an individual may choose to exercise their option or have their savings repaid to them. This scheme is open to all eligible employees and directors who satisfy a service qualification of at least three months. There are no performance targets associated with these options. No other directors have been granted share options in the shares of the Company.

The aggregate gains of directors arising from any exercise of options granted within the sharesave scheme in the period ending 29 May 2022 totalled £nil (2021: £239,000).

There were no movements in directors' interests in shares of the Company between 29 May 2022 and the date of this report.

Performance graph

The graph below represents the comparative total shareholder return performance of the Company against that of the index of the FTSE 250 companies during the previous ten years. The index of the FTSE 250 companies has been used because the constituents of this index most appropriately reflect the Company's size when compared to alternative indices.



On behalf of the board

J R A Brewis
Chair
Remuneration committee
25 July 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for each financial period. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent company financial statements on the same basis.

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 Group and parent company and of the Group's profit or loss for that period. In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable
- *state whether they have been prepared in accordance with UK-adopted international accounting standards;*
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, remuneration report and corporate governance report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- *the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets,* liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

On behalf of the board

R F Tongue
CFO
25 July 2022

COMPANY DIRECTORS AND ADVISERS

Directors
E O'Donnell, non-executive chair
K D Rountree, chief executive officer
R F Tongue, chief financial officer
J R A Brewis, senior non-executive director
R Casson, non-executive director
K E Marsh, non-executive director

Company secretary
R Matthews

Registered office
Lenton, Nottingham, NG7 2WS

Registered number
2670969

Financial advisers and stockbrokers
Peel Hunt LLP, 100 Liverpool Street, London, EC2M 2AT

Chartered accountants and independent statutory auditor
KPMG LLP, 1 Snowhill, Queensway, Birmingham

Registrar
Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA

INDEPENDENT AUDITOR'S REPORT

To the members of Games Workshop Group PLC

Our opinion is unmodified

We have audited the financial statements of Games Workshop Group PLC ('the Company') for the 52 week period ended 29 May 2022 which comprise the consolidated income statement, consolidated and Company statements of comprehensive income, balance sheets, statements of changes in total equity, cash flow statements and the related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 29 May 2022 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit and risk committee.

We were first appointed as auditor by the shareholders on 15 September 2021. The period of total uninterrupted engagement is for the one financial period ended 29 May 2022. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	**Our response**
Core revenue recognition (Core revenue - £386.8 million) Refer to page 57	**Low risk, high value** Core revenue relates to those channels that sell product to external customers, through the Group's network of retail stores, independent retailers and online via the global web stores and consists of 93% of the group's total revenue. Professional standards require us to presume (unless rebutted) that the fraud risk from revenue recognition is a significant risk. Given that core revenue is recognised at a point in time, is simple in nature and individual sales are of high volume and low value (meaning that a large volume of sales transactions would need to be misstated to result in a material error) we rebutted this presumption. However, due to the significance of core revenue in the context of the financial statements and our materiality, this is considered to be the area that had the greatest effect on our overall Group audit.	Our procedures included: • **Test of detail**: For certain retail sales transactions, we performed data analytics procedures to match sales invoices to cash or receivables at the transaction level and investigated unmatched transactions; • **Test of detail**: For certain trade sales customers, we performed data analytics procedures to reconcile the movement from the opening to the closing trade receivables position; • **Test of detail**: For the remaining in-scope components where revenue was not covered by the data analytics procedures described above, we substantively sampled the revenue in the period to match sales invoices to related orders, dispatch notes and/or cash and/or trade debtors; and • **Assessing transparency:** We assessed the adequacy of the Group's disclosures in respect of revenue. We performed the detailed tests above rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls. **Our results:** We found the recognition of core revenue to be acceptable.

INDEPENDENT AUDITOR'S REPORT continued

	The risk	Our response
Recoverability of parent company investments in and intercompany receivables from subsidiaries (Investments £30.6 million, Receivables from group companies £8.5m, Loans to group companies £31.6m) Refer to page 58	**Low risk, high value** The carrying amount of the parent company's investments in subsidiaries and intercompany receivables represents 70% of the Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent company financial statements, this is considered to be the area that had the greatest effect on our overall parent company audit.	Our procedures included: • **Tests of detail:** We compared the carrying amount of each investment and intercompany receivable to the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. • **Assessing transparency:** We assessed the adequacy of the parent company's disclosures in respect of the investment in subsidiaries. We performed the detailed tests above rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls. **Our results:** We found the Company's conclusion regarding the recoverability of of its investments in subsidiaries and intercompany receivables to be acceptable.

Our application of materiality and an overview of the scope of our audit
Materiality for the Group financial statements as a whole was set at £7.5m, determined with reference to a benchmark of Group profit before tax, of which it represents 4.8%.

Materiality for the parent company financial statements as a whole was set at £0.9m determined with reference to a benchmark of Company net assets, of which it represents 0.9%.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% of materiality for the financial statements as a whole, which equates to £5.6m for the Group and £0.675m for the parent company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the audit and risk committee any corrected or uncorrected identified misstatements exceeding £0.375m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 56 reporting components, we subjected eight to full scope audits for group purposes and eight to specified audit procedures.

The components within the scope of our work accounted for 91% of total Group revenue, 90% of Group profit before tax and 92% of total Group assets.

The remaining 9% of total Group revenue, 10% of Group profit before tax and 8% of total Group assets is represented by 48 reporting components, none of which individually represented more than 10% of any of total Group revenue, Group profit before tax or total Group assets. For the residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The work on all of the components including the audit of the parent company, was performed by the Group team.

The impact of climate change on our audit
In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

With the support of our climate professionals we performed a risk assessment of the impact of climate change on the financial statements and our audit approach.

Taking into account the nature of the business operations of the group, the potential increase in costs relating to decarbonisation, climate related taxes and changes in regulations, we did not identify any risks that significantly impact our audit or key audit matters. We read the climate related disclosure in the front half of the annual report and considered consistency with the financial statements and our audit knowledge.

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Company's available financial resources over this period was inflationary pressures increasing the cost of raw materials and reducing the gross margin earned on core revenue sales. We considered whether this risk could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from this risk against the level of available financial resources indicated by the Group's financial forecasts.

We assessed the completeness of the going concern disclosure

Our conclusions based on this work:
- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable; and
- the related statement under the Listing Rules set out on page 30 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect
Identifying and responding to risks of material misstatement due to fraud
To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:
- enquiring of directors, the audit and risk committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading board, audit and risk committee, and remuneration committee minutes;
- considering remuneration incentive schemes for executive directors; and
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not consider there to be a fraud risk related to revenue recognition given that core revenue is recognised at a point in time, is simple in nature and individual sales are of high volume, low value (meaning that a large volume of sales transactions would need to be misstated before resulting in a material error). Licensing revenue is also non-complex, with a small number of non-judgemental transactions.

INDEPENDENT AUDITOR'S REPORT continued

Fraud and breaches of laws and regulations – ability to detect continued
Identifying and responding to risks of material misstatement due to fraud continued

We did not identify any additional fraud risks.

We performed procedures including:
- Identifying journal entries and other adjustments to test for all full scope components based on high risk criteria and comparing the identified entries to supporting documentation. These included postings to cash or to revenue with an unexpected pairing.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

We have nothing to report on the other information in the annual report
The directors are responsible for the other information presented in the annual report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report
Based solely on our work on the other information:
- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Remuneration report
In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability
We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:
- the directors' confirmation within the going concern and viability statement set out on page 28, that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the risks and uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the going concern and viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the going concern and viability statement, set out on page 28 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures
We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:
- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the audit and risk committee, including the significant issues that the audit and risk committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the corporate governance statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on the other 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:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Respective responsibilities
Directors' responsibilities
As explained more fully in their statement set out on page 49, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT continued

Respective responsibilities continued
Auditor's responsibilities
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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

The purpose of our audit work and to whom we owe our responsibilities

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.

Anna Barrell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

25 July 2022

CONSOLIDATED INCOME STATEMENT

	Notes		52 weeks ended 29 May 2022 £m		Restated 52 weeks ended 30 May 2021 £m
Core revenue			**386.8**		353.2
Licensing revenue			**28.0**		16.3
Revenue	4		**414.8**		369.5
Cost of sales			**(127.4)**		(96.3)
Core gross profit		***259.4***		*256.9*	
Licensing gross profit		***28.0***		*16.3*	
Gross profit			**287.4**		273.2
Operating expenses	4,5		**(130.3)**		(121.5)
Core operating profit		***131.7***		*136.7*	
Licensing operating profit		***25.4***		*15.0*	
Operating profit			**157.1**		151.7
Finance income	7		**0.2**		0.2
Finance costs	8		**(0.8)**		(1.0)
Profit before taxation	9		**156.5**		150.9
Income tax expense	10		**(28.1)**		(28.9)
Profit attributable to owners of the parent			**128.4**		122.0

Comparative financial information for revenue and gross profit has been restated for the reclassification of licensing revenue, previously included as royalties receivable in other operating income.

Earnings per share for profit attributable to the owners of the parent during the period (expressed in pence per share):

	Notes	52 weeks ended 29 May 2022	52 weeks ended 30 May 2021
Basic earnings per ordinary share	11	**391.3p**	372.7p
Diluted earnings per ordinary share	11	**390.6p**	370.5p

CONSOLIDATED AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME

		Group		Company	
	Notes	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Profit attributable to owners of the parent		**128.4**	122.0	**103.2**	78.7
Other comprehensive income/(expense)					
Exchange gains/(losses) on translation of foreign operations	28	**0.8**	(3.1)	**-**	-
Other comprehensive income/(expense) for the period		**0.8**	(3.1)	**-**	-
Total comprehensive income attributable to owners of the parent		**129.2**	118.9	**103.2**	78.7

As permitted by section 408 of the Companies Act 2006, the Company's income statement has not been included in these financial statements.

The notes on pages 61 to 82 are an integral part of these financial statements.

BALANCE SHEETS

		Group		Company	
		29 May 2022	30 May 2021	**29 May 2022**	30 May 2021
	Notes	**£m**	£m	**£m**	£m
Non-current assets					
Goodwill	13	**1.4**	1.4	-	-
Other intangible assets	14	**25.6**	23.7	-	-
Property, plant and equipment	15	**55.0**	49.8	-	-
Right-of-use assets	16	**48.1**	46.0	-	-
Investments in subsidiaries	17	-	-	**30.6**	30.6
Deferred tax assets	18	**17.8**	10.1	-	-
Trade and other receivables	20	**19.4**	6.3	**31.6**	3.9
		167.3	137.3	**62.2**	34.5
Current assets					
Inventories	19	**38.4**	27.5	-	-
Trade and other receivables	20	**39.6**	30.6	**8.8**	5.9
Current tax assets		**4.4**	1.1	-	-
Cash and cash equivalents	21	**71.4**	85.2	**30.4**	20.2
		153.8	144.4	**39.2**	26.1
Total assets		**321.1**	281.7	**101.4**	60.6
Current liabilities					
Lease liabilities	23	**(9.2)**	(8.6)	-	-
Trade and other payables	24	**(33.5)**	(35.4)	**(2.0)**	(1.9)
Current tax liabilities		**(1.1)**	(0.1)	-	-
Provisions for other liabilities and charges	26	**(0.8)**	(0.6)	-	-
		(44.6)	*(44.7)*	**(2.0)**	(1.9)
Net current assets		**109.2**	99.7	**37.2**	24.2
Non-current liabilities					
Lease liabilities	23	**(39.7)**	(38.4)	-	-
Other non-current liabilities	25	**(0.6)**	(0.6)	**(27.9)**	(0.2)
Provisions for other liabilities and charges	26	**(1.5)**	(1.7)	-	(0.1)
		(41.8)	(40.7)	**(27.9)**	(0.3)
Net assets		**234.7**	196.3	**71.5**	58.4
Capital and reserves					
Called up share capital	27	**1.6**	1.6	**1.6**	1.6
Share premium account	27	**16.3**	14.5	**16.3**	14.5
Other reserves	28	**2.9**	2.1	**0.1**	0.1
Retained earnings		**213.9**	178.1	**53.5**	42.2
Total equity		**234.7**	196.3	**71.5**	58.4

The Company's profit after taxation for the 52 weeks ended 29 May 2022 is £103.2m (2021: £78.7m).

The notes on pages 61 to 82 are an integral part of these financial statements.

The financial statements on pages 57 to 82 were approved by the board of directors on 25 July 2022 and were signed on its behalf by:

K D Rountree, Director

R F Tongue, Director

Registered number 2670969

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Called up share capital £m	Share premium account £m	Other reserves (note 28) £m	Retained earnings £m	Total equity £m
At 30 May 2020 and 1 June 2020	1.6	13.1	5.2	113.8	133.7
Profit for the 52 weeks to 30 May 2021	-	-	-	122.0	122.0
Exchange differences on translation of foreign operations	-	-	(3.1)	-	(3.1)
Total comprehensive income for the period	-	-	(3.1)	122.0	118.9
Transactions with owners:					
Share-based payments	-	-	-	1.2	1.2
Shares issued under employee sharesave scheme (note 27)	-	1.4	-	-	1.4
Deferred tax credit relating to share options	-	-	-	0.1	0.1
Current tax credit relating to exercised share options	-	-	-	1.5	1.5
Dividends paid to Company shareholders	-	-	-	(60.5)	(60.5)
Total transactions with owners	-	1.4	-	(57.7)	(56.3)
At 30 May 2021 and 31 May 2021	1.6	14.5	2.1	178.1	196.3
Profit for the 52 weeks to 29 May 2022	-	-	-	128.4	128.4
Exchange differences on translation of foreign operations	-	-	0.8	-	0.8
Total comprehensive income for the period	-	-	**0.8**	**128.4**	**129.2**
Transactions with owners:					
Share-based payments	-	-	-	1.6	1.6
Shares issued under employee sharesave scheme (note 27)	-	1.8	-	-	1.8
Deferred tax debit relating to share options	-	-	-	(1.4)	(1.4)
Current tax credit relating to exercised share options	-	-	-	0.7	0.7
Dividends paid to Company shareholders	-	-	-	(93.5)	(93.5)
Total transactions with owners	-	**1.8**	-	**(92.6)**	**(90.8)**
At 29 May 2022	**1.6**	**16.3**	**2.9**	**213.9**	**234.7**

COMPANY STATEMENT OF CHANGES IN TOTAL EQUITY

	Called up share capital £m	Share premium account £m	Other reserves (note 28) £m	Retained earnings £m	Total equity £m
At 30 May 2020 and 1 June 2020	1.6	13.1	0.1	22.8	37.6
Profit for the 52 weeks to 30 May 2021	-	-	-	78.7	78.7
Total comprehensive income for the period	-	-	-	78.7	78.7
Transactions with owners:					
Share-based payments	-	-	-	1.2	1.2
Shares issued under employee sharesave scheme (note 27)	-	1.4	-	-	1.4
Dividends paid to Company shareholders	-	-	-	(60.5)	(60.5)
Total transactions with owners	-	1.4	-	(59.3)	(57.9)
At 30 May 2021 and 31 May 2021	1.6	14.5	0.1	42.2	58.4
Profit for the 52 weeks to 29 May 2022	-	-	-	103.2	103.2
Total comprehensive income for the period	-	-	-	**103.2**	**103.2**
Transactions with owners:					
Share-based payments	-	-	-	1.6	1.6
Shares issued under employee sharesave scheme (note 27)	-	1.8	-	-	1.8
Dividends paid to Company shareholders	-	-	-	(93.5)	(93.5)
Total transactions with owners	-	**1.8**	-	**(91.9)**	**(90.1)**
At 29 May 2022	**1.6**	**16.3**	**0.1**	**53.5**	**71.5**

The notes on pages 61 to 82 are an integral part of these financial statements.

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS

	Notes	Group 52 weeks ended 29 May 2022 £m	Group 52 weeks ended 30 May 2021 £m	Company 52 weeks ended 29 May 2022 £m	Company 52 weeks ended 30 May 2021 £m
Cash flows from operating activities					
Cash generated from operations	29	**159.2**	164.8	**101.8**	79.1
UK corporation tax paid		**(34.0)**	(28.8)	-	-
Overseas tax paid		**(3.7)**	(3.3)	-	-
Net cash generated from operating activities		**121.5**	132.7	**101.8**	79.1
Cash flows from investing activities					
Purchases of property, plant and equipment		**(17.0)**	(17.4)	-	-
Purchases of other intangible assets		**(1.4)**	(2.9)	-	-
Expenditure on product development	14	**(13.9)**	(9.7)	-	-
Interest received		**0.2**	0.2	**0.1**	-
Net cash (used in)/generated from investing activities		**(32.1)**	(29.8)	**0.1**	-
Cash flows from financing activities					
Proceeds from issue of ordinary share capital	27	**1.8**	1.4	**1.8**	1.4
Repayment of principal under leases	23	**(11.1)**	(10.0)	-	-
Lease interest paid	23	**(0.8)**	(0.9)	-	-
Dividends paid to Company shareholders	12	**(93.5)**	(60.5)	**(93.5)**	(60.5)
Net cash used in financing activities		**(103.6)**	(70.0)	**(91.7)**	(59.1)
Net (decrease)/increase in cash and cash equivalents		**(14.2)**	32.9	**10.2**	20.0
Opening cash and cash equivalents		**85.2**	52.9	**20.2**	0.2
Effects of foreign exchange rates on cash and cash equivalents		**0.4**	(0.6)	-	-
Closing cash and cash equivalents	21	**71.4**	85.2	**30.4**	20.2

The notes on pages 61 to 82 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information
Games Workshop Group PLC (the 'Company') and its subsidiaries (together the 'Group') designs and manufactures miniature figures and games and distributes these through its own network of retail stores, independent retailers and online via the global web stores. The Group has manufacturing activities in the UK and sells mainly in the UK, Continental Europe, North America, Australia, New Zealand and Asia. The Group also grants licences to third parties for the development of video games and other products utilising the Group's intellectual property.

The Company is a public listed company, incorporated and domiciled in the United Kingdom. The address of its registered office is Willow Road, Lenton, Nottingham, NG7 2WS, United Kingdom.

The Company's ordinary share capital is listed on the London Stock Exchange.

2. Summary of significant accounting policies
The principal accounting policies applied in these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation
The Group and the Company have presented these financial statements rounded to the nearest £0.1m. On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Standards, with future changes being subject to endorsement by the UK Endorsement Board. Games Workshop Group PLC transitioned to UK-adopted International Accounting Standards in its group financial statements on 31 May 2021. This change constituted a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements of Games Workshop Group PLC have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated and Company financial statements are prepared in accordance with the historical cost convention.

In adopting the going concern basis for preparing the financial statements, the directors have considered a base case going concern model and then modelled a series of severe but plausible downside scenarios such as loss of factories and further store closures. After making appropriate enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the Group's and Company's financial statements.

Basis of consolidation
The consolidated financial statements include the Company and its subsidiary undertakings drawn up for the 52 weeks ended 29 May 2022 and the 52 weeks ended 30 May 2021. The period end date is defined as the nearest Sunday to 31 May each year. Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated on consolidation. Accounting policies of subsidiaries are consistent with the policies adopted by the Group. Special purpose reporting information prepared under UK-adopted International Accounting Standards of all subsidiaries to 29 May 2022 and 30 May 2021 has been used for consolidation purposes.

Goodwill
Goodwill arising on acquisition of subsidiaries represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment, or when an indicator of impairment arises, and is carried at cost less accumulated impairment losses. Provision is made for any impairment by comparing the value in use to the net carrying value. Goodwill is allocated to cash generating units for the purpose of impairment testing.

Goodwill arising on acquisitions prior to 31 May 1998 was written off to reserves in accordance with the accounting standard then in force. As permitted by the current accounting standard, the goodwill previously written off to reserves has not been reinstated in the balance sheet.

Other intangible assets
Development costs
Costs incurred in respect of product design and development activities are recognised as intangible assets when they meet the criteria of IAS 38 'Intangible Assets' and are wholly attributable to specific projects. Product development costs recognised as intangible assets are either amortised on a reducing balance basis, with rates ranging from 50% to 80%, or are fully amortised in the month of the relevant product release. The selected amortisation method is chosen to match the expenditure incurred to the expected revenue generated from the subsequent product release. However, there are some design costs which do not meet the recognition criteria and are therefore not capitalised and are shown in note 9.

Computer software
Acquired computer software licences and related development expenditure are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Where software is acquired under a cloud computing arrangement, only those costs incurred in developing a separate identifiable asset owned and controlled by the Group, such as an interface between the Group's systems, are capitalised. Computer software licences are held at cost and amortised on a straight line basis over the expected useful lives of the assets. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when they meet the criteria of IAS 38 'Intangible Assets'.

Other development expenditure that does not meet these criteria is recognised as an expense as incurred.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Summary of significant accounting policies continued

Other intangible assets continued

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. The principal annual amortisation rates are:

	% of cost
Core business systems computer software	10-33
Web store computer software	20
Other computer software	33-50

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any provision for impairment. The cost of property, plant and equipment is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated over the expected useful economic lives of the assets concerned to write down to the assets' residual value and commences from the date the asset is available for use. The principal annual depreciation rates are:

	Straight line % of cost	Reducing balance % of net book value
Freehold buildings	2-4	-
Plant and equipment and vehicles	15-33	-
Fixtures and fittings	20-25	-
Moulding tools - product specific	-	50
Moulding tools - non-product specific	25	-

Leasehold improvements are depreciated over the shorter of the useful economic life of the asset or the period of the lease. These assets are included within fixtures and fittings. Freehold land is not depreciated.

Impairment of non-financial assets

Assets are tested for impairment in accordance with IAS 36 'Impairment of Assets'. For the purposes of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash flows. Discount rates reflecting the asset specific risks and the time value of money are used for the value in use calculation.

Trade receivables

Trade receivables are recognised initially at fair value, which is typically the original invoice amount, and carried at amortised cost using the effective interest method less loss allowance. The Group applies the IFRS 9 'Financial instruments' simplified approach to measuring expected credit losses, using a lifetime expected loss allowance for trade receivables based on historical credit losses by the Group.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group completes its performance obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

Leases

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist under IAS 36 'Impairment of Assets'.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate, 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.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset on the balance sheet, or income statement if the right-of-use asset is already reduced to zero.

Where a store continues to be occupied post lease end date, these stores will be accounted for as a short-term lease and directly expensed to the income statement.

The Group has calculated and applied the incremental borrowing rate ('IBR') to its future cash flows to determine the lease liability. The incremental borrowing rate has been defined by the standard as 'the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar environment'. The Group has no external borrowing, therefore a credit risk spread approach has been used to calculate the IBR, which combines the risk-free security rate and a corporate security rate in each economic environment in which the Group has a lease, linked to the life of the underlying lease agreement.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. The lease payments associated with these leases are recognised as expenses on a straight-line basis over the lease term.

Inventories
Inventories are valued at the lower of cost and net realisable value. Cost is determined using a standard costing method taking into account variances. In respect of finished goods, cost includes raw materials, direct labour, other direct costs and related production overheads based on a normal level of production. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Where necessary, provisions are made for obsolete, slow moving and defective inventories.

Foreign currency translation
The consolidated financial statements are presented in sterling, which is the Company's functional and presentation currency. Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Monetary assets and liabilities expressed in currencies that are not the functional currency are translated into the functional currency at rates of exchange ruling at the balance sheet date. The financial statements of overseas subsidiary companies prepared in functional currencies other than sterling are translated into sterling as follows:

- Assets and liabilities are translated at the closing rate at the date of the balance sheet;
- Income and expenses are translated at the average rate for the period;
- All resulting exchange differences are recognised as a separate component of equity.

Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise deposits with banks and bank and cash balances, net of overdrafts where there is a legally enforceable right of offset.

Trade payables
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities (deferred income) are recognised as revenue when the Group performs under the contract.

Other employment benefits
Pension costs
The Group operates defined contribution schemes and a group personal pension plan. Pension contributions are charged to the income statement as they accrue. There are no further obligations to the Group once payment has been made.

Long service benefits
The Group operates a long service incentive scheme under which employees receive a one off additional holiday entitlement of two weeks when they reach 10, 20, 30 and 40 years' service (Veterans scheme). The costs of these benefits are accrued over the period of employment based on expected staff retention rates and the anticipated future employment costs discounted to present value.

Share-based payments
The Group operates a number of equity-settled employee sharesave schemes. The fair value of the employee services received, measured at grant date in exchange for the grant of the awards, is recognised as an expense in the income statement, with the corresponding credit being recorded in retained earnings within equity over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the awards granted. At each balance sheet date, the Group revises its estimates of the number of awards that are expected to vest. The Group recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity, in periods in which the estimates are revised. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

Investments
Shares and loans in subsidiary undertakings are stated at cost less provision for impairment.

Revenue
Core revenue
Revenue, which excludes value added tax and sales between group companies, represents the invoiced value of goods supplied (net of trade discounts for sales to independent retailers). Revenue is recognised on dispatch of goods to the customer for sales via the global web stores and for sales to independent retailers. The fulfilment of the performance obligation of the contract with the customer is achieved on delivery. The difference in timing of recognition of revenue and the fulfilment of the delivery has been considered and does not have a material effect on the financial statements. For revenue earned through the Group's retail stores and for digital products, revenue is recognised at the point of sale. Payment of the transaction price is due in line with agreed customer credit terms. Revenue for subscriptions is recognised on a straight line basis over the subscription period.

Revenue on goods sold to customers on a sale or return basis (which includes book sales) is recognised after making full provision for the level of expected returns, based on past experience. The level of returns is reviewed on a regular basis and the provision is amended accordingly. Revenue on a sale or return basis represents no more than 3% of consolidated revenue (2021: no more than 3%).

Licensing revenue
Licensing revenue represents amounts invoiced to licensees for use of the Group's intellectual property ('IP'). This includes both minimum royalty guarantees charged on granting use of the intellectual property to licensees, and additional royalty income earned as a share of the licensee's sales of games and products which include use of the Group's IP.

NOTES TO THE FINANCIAL STATEMENTS continued

2. Summary of significant accounting policies continued

Revenue continued

Licensing revenue continued

Where a licensing agreement includes minimum royalty guarantee income, an assessment of the Group's performance obligations is made, and whether the agreement represents a right to use, or a right to access the Group's intellectual property. Currently, all existing licensing agreements are considered to be a right to use the Group's intellectual property. The performance obligations of these agreements has been met in granting use of the Group's existing intellectual property and minimum royalty guarantee income revenue is recognised in full at inception of the contract. Additional royalty income is recognised in the income statement when it can be reliably measured by reference to the underlying licensee performance as notified to the Group by the licensee and following validation of the amounts receivable by the Group.

Segment reporting

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

Taxation

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

Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the income statement, except where it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Dividends

Dividend distributions are recognised in the financial statements in the period in which they are paid.

Provision for liabilities and charges

Provisions are recognised in accordance with IAS 37 'Provisions, Contingent Assets and Contingent Liabilities'. Provisions are made for property dilapidations where a legal obligation exists. The estimated employee benefit liability arising from the Veterans scheme is classified within provisions. Amounts relating to employees who reach 10, 20, 30 or 40 years' service in more than one year are classified as non-current. Provisions are made for redundancy costs once the employees affected have a valid expectation that their roles will become redundant.

Share capital

Ordinary shares are classified as equity. 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 instruments

All financial assets are classified as 'financial assets at amortised cost' and financial liabilities as 'financial liabilities at amortised cost' in accordance with IFRS 9. Management determines the classification of its financial assets and liabilities at initial recognition.

Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosure of contingencies at the balance sheet date. If in future such estimates and assumptions, which are based on management's best judgement at the date of the consolidated financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified, as appropriate, in the period in which the circumstances change.

Management do not consider there to be any critical accounting estimates or judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. Change in accounting policy

The Group has applied amendments to IAS 1 and IAS 8 'Definition of Material' for the first time in the financial statements commencing 31 May 2021. The application of these new standards and amendments did not have a material impact on the financial statements in either the current or prior periods.

The Group considers that there are no new accounting standards, amendments or interpretations issued by the IASB, but not yet applicable, which have had, or are expected to have a significant effect on the financial statements.

4. Segment information

As Games Workshop is a vertically integrated business, management assesses the performance of sales channels and manufacturing and distribution channels separately. Segment information for the 52 weeks ended 30 May 2021 has been restated to better reflect the structure of the Group. Segments have been split into core and licensing as described below. Costs previously reported within 'Design to manufacture', 'Merchandising and logistics', and 'Operations and support' have been combined to create the 'Design, manufacture, logistics and operations' segment. Share-based payment charges, profit share scheme charges and discretionary payments to employees were previously included outside of segmental operating expenses, these have now all been included in core operating expenses.

At 29 May 2022 Games Workshop has two segments, core and licensing, as described below:

- Core: the core segment includes all revenue and expenditure relating to the design, manufacture and sales of our fantasy miniatures and related products.
- Licensing: the licensing segment includes all revenue and expenditure relating to licences granted to external partners, including the development of digital content for animation and TV.

We provide further information on revenue and expenses within the core segment below. The core segment has been divided into channels as follows:

- Trade: this sales channel sells globally to independent retailers, agents and distributors. It also includes the Group's magazine newsstand business and the distributor sales from the Group's publishing business (Black Library).
- Retail: this includes sales through the Group's retail stores, the Group's visitor centre in Nottingham and global events.
- Online: this includes sales through the Group's global web stores, our online subscription service (Warhammer+) and digital sales through external affiliates.
- Design, manufacturing, logistics and operations, which includes costs for:
  - the design studios (that creates all of the IP and the associated miniatures, artwork, games and publications);
  - the production facilities;
  - the warehouses and logistics costs;
  - charges for inventory provisions. This includes adjustments for the profit in stock arising from inter-segment sales; and
  - support services (marketing, IT, accounting, payroll, personnel, procurement, legal, health and safety, customer services and credit control) provided to activities across the Group;
- Group: this includes the Company's overheads

The chief operating decision-maker, identified as the executive directors, assesses the performance of each segment based on segmental operating profit. This has been reconciled to the Group's total profit before taxation below.

	Core		Licensing		Total	
	2022 £m	2021 £m	**2022 £m**	2021 £m	**2022 £m**	2021 £m
Trade	**214.3**	194.8	-	-	**214.3**	194.8
Retail	**87.2**	70.7	-	-	**87.2**	70.7
Online	**85.3**	87.7	-	-	**85.3**	87.7
Licensing	-	-	**28.0**	16.3	**28.0**	16.3
Revenue	**386.8**	353.2	**28.0**	16.3	**414.8**	369.5
Cost of sales	**(127.4)**	(96.3)	-	-	**(127.4)**	(96.3)
Gross profit	**259.4**	256.9	**28.0**	16.3	**287.4**	273.2
Trade	**(10.7)**	(9.1)	-	-	**(10.7)**	(9.1)
Retail	**(52.4)**	(50.2)	-	-	**(52.4)**	(50.2)
Online	**(11.7)**	(7.8)	-	-	**(11.7)**	(7.8)
Design, manufacturing, logistics and operations	**(37.6)**	(35.2)	-	-	**(37.6)**	(35.2)
Licensing	-	-	**(2.6)**	(1.3)	**(2.6)**	(1.3)
Group	**(3.8)**	(3.5)	-	-	**(3.8)**	(3.5)
Share-based payment charge	**(1.6)**	(1.2)	-	-	**(1.6)**	(1.2)
Profit share scheme and discretionary payment charge	**(9.9)**	(13.2)	-	-	**(9.9)**	(13.2)
Operating expenses	**(127.7)**	(120.2)	**(2.6)**	(1.3)	**(130.3)**	(121.5)
Operating profit	**131.7**	136.7	**25.4**	15.0	**157.1**	151.7
Finance income	**0.2**	0.2	-	-	**0.2**	0.2
Finance costs	**(0.8)**	(1.0)	-	-	**(0.8)**	(1.0)
Profit before tax	**131.1**	135.9	**25.4**	15.0	**156.5**	150.9

NOTES TO THE FINANCIAL STATEMENTS continued

4. Segment information continued

Additional revenue analysis

Segment revenue and segment profit include transactions between business segments; these transactions are eliminated on consolidation. Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the income statement. For information, core external revenue is analysed further below:

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Trade		
UK and Continental Europe	**90.4**	82.3
North America	**96.5**	85.4
Australia and New Zealand	**11.4**	10.2
Asia	**8.5**	9.0
Rest of world	**5.9**	5.6
Black Library	**1.6**	2.3
Total Trade	**214.3**	194.8
Retail		
UK	**25.7**	13.3
Continental Europe	**18.5**	16.4
North America	**33.6**	28.2
Australia and New Zealand	**7.3**	10.3
Asia	**2.1**	2.5
Total Retail	**87.2**	70.7
Online		
UK	**19.0**	22.2
Continental Europe	**16.3**	18.0
North America	**31.4**	30.6
Australia and New Zealand	**4.4**	5.5
Asia	**0.4**	0.5
Rest of world	**1.4**	1.3
Digital	**12.4**	9.6
Total Online	**85.3**	87.7
Total external core revenue	**386.8**	353.2

External core revenue analysed by customer geographical location is as follows:

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
UK	**83.4**	80.5
Continental Europe	**95.6**	82.1
North America	**169.7**	145.5
Australia and New Zealand	**23.3**	26.1
Asia	**11.8**	12.1
Rest of world	**3.0**	6.9
External core revenue	**386.8**	353.2

The Group is not reliant on any one individual customer.

Additional operating expenses analysis

Operating profit as reported above includes impairment, depreciation and amortisation charges as follows:

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Retail	**11.0**	10.8
Online	**2.8**	0.2
Design, manufacturing, logistics and operations	**22.2**	15.6
Total group charges for impairment, depreciation and amortisation	**36.0**	26.6

4. Segment information continued

Non-current asset analysis
Non-current assets (excluding deferred tax and non-current financial instruments) located within the UK were £120.6m (2021: £100.0m) and all other countries was £28.9m (2021: £27.2m). Tangible, intangible and right-of-use asset additions included within the UK were £34.5m (2021: £45.2m) and all other countries were £9.0m (2021: £8.1m).

Other non-cash charges
Other non-cash charges and significant costs included in operating profit are as follows:

	Charge to inventory provisions		Redundancy costs and compensation for loss of office	
	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m	**52 weeks ended 29 May 2022 £m**	52 weeks ended 30 May 2021 £m
Core	**(10.6)**	(0.9)	**(0.5)**	(1.2)
Licensing	**-**	-	**(0.1)**	-
Total group charge	**(10.6)**	(0.9)	**(0.6)**	(1.2)

5. Operating expenses

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Selling costs	**66.3**	63.9
Administrative expenses	**64.0**	57.6
	130.3	121.5

6. Directors and employees

	Group		Company	
	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m	**52 weeks ended 29 May 2022 £m**	52 weeks ended 30 May 2021 £m
Total directors' and employees' costs:				
Wages and salaries	**91.4**	86.8	**2.8**	2.5
Social security costs	**8.7**	8.2	**0.2**	0.3
Other pension costs	**4.0**	3.7	**-**	-
Share-based payment	**1.6**	1.2	**-**	-
	105.7	99.9	**3.0**	2.8

Details of capitalised salary costs, included in the above, are provided in note 14. Redundancy costs and compensation for loss of office, not included in the above, are provided in note 9.

Total directors' and employees' costs for the Group for the 52 weeks ended 29 May 2022 calculated using the average exchange rates for the 52 weeks ended 30 May 2021 are £106.3m. This includes performance related elements of salary costs, payments under the Group's profit share scheme and the discretionary payment to employees of £12.6m (2021: £16.1m).

Highest paid director
The above includes salary costs of £0.7m (2021: £0.6m) in respect of the highest paid director. Total remuneration of the highest paid director is detailed in the remuneration report (page 43).

Key management compensation
The directors of the Group are considered to be the key management personnel of the Group. The remuneration of the directors of the Group is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'.

	52 weeks ended 29 May 2022 £m	Restated 52 weeks ended 30 May 2021 £m
Short-term employee benefits	**2.5**	2.4
Share-based payments	**-**	-
	2.5	2.4

In the period, there were two directors (2021: two) to whom retirement benefits were accruing in respect of money purchase schemes.

Further information relating to directors' emoluments, shareholdings and share options is disclosed in the remuneration report on pages 38 to 48.

NOTES TO THE FINANCIAL STATEMENTS continued

6. Directors and employees continued

Employee numbers **Group**	**52 weeks ended 29 May 2022 No.**	52 weeks ended 30 May 2021 No.
Monthly average number of employees (including directors) by activity:		
Design and development	**348**	308
Production and warehousing	**709**	565
Selling:		
- Full time	**941**	932
- Part time	**65**	65
Administration	**491**	413
	2,554	2,283

The monthly average number of employees for the Company was nine (2021: nine).

7. Finance income

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Interest income:		
- On cash and cash equivalents	**0.2**	0.2
	0.2	0.2

8. Finance costs

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Interest expense:		
- Interest expense on lease liabilities	**0.8**	0.9
- Other	**-**	0.1
	0.8	1.0

9. Profit before taxation

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Profit before taxation is stated after charging:		
Depreciation:		
- Owned property, plant and equipment	**11.7**	9.2
- Right-of-use assets	**11.3**	11.0
Amortisation:		
- Owned computer software	**1.6**	1.2
- Development costs	**10.1**	4.8
Impairment of computer software	**1.1**	0.4
Impairment of development costs	**0.2**	-
Non-capitalised development costs	**7.9**	7.7
Staff costs (excluding capitalised salary costs shown in note 14 and non-capitalised development staff costs)	**98.7**	93.9
Cost of inventories included in cost of sales	**54.8**	55.8
Inventory provision creation (note 19)	**10.6**	0.9
Loss on disposal of intangible assets	**0.3**	0.1
Redundancy costs and compensation for loss of office	**0.6**	1.2

Auditors' remuneration and services provided

Services provided by the Group's auditors and network firms are analysed as follows:

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Audit services		
Audit of the Group and Company's financial statements	**0.4**	0.1
Other services		
The audit of the Company's subsidiaries pursuant to legislation	**-**	0.2
Audit-related assurance services	**-**	-
Total services provided	**0.4**	0.3

10. Income tax expense

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Current UK taxation:		
UK corporation tax on profits for the period	**31.3**	28.1
Adjustments to tax charge in respect of prior periods	**(0.4)**	(0.6)
	30.9	27.5
Current overseas taxation:		
Overseas corporation tax on profits for the period	**4.3**	2.9
Adjustments to tax charge in respect of prior periods	**0.8**	(0.3)
Total current taxation	**36.0**	30.1
Deferred taxation:		
Origination and reversal of timing differences	**(7.3)**	(2.0)
Adjustments to tax charge in respect of prior periods	**(0.6)**	0.8
Tax expense recognised in the income statement	**28.1**	28.9
Current tax credit relating to sharesave scheme	**(0.7)**	(1.5)
Deferred tax debit/(credit) relating to sharesave scheme	**1.4**	(0.1)
Debit/(credit) taken directly to equity	**0.7**	(1.6)

The tax on the Group's profit before taxation differs in both periods presented from the standard rate of corporation tax in the UK as follows:

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Profit before taxation	**156.5**	150.9
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**29.7**	28.7
Effects of:		
Items not assessable for tax purposes	**(1.3)**	(0.3)
Different tax rates on overseas earnings	**(1.1)**	0.5
Tax rate changes	**1.0**	0.1
Adjustments to tax charge in respect of prior periods	**(0.2)**	(0.1)
Total tax charge for the period	**28.1**	28.9

On 3 March 2021, the Chancellor announced that the UK corporation tax rate will be increased from 19% to 25% from 1 April 2023. This change had been substantively enacted at the balance sheet date at 29 May 2022 and its impact has therefore been included in these financial statements.

Items not assessable for tax purposes include the release of provisions no longer considered a risk to the Group as well as tax relief for other taxes paid.

11. Earnings per share

Basic earnings per share

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

	52 weeks ended 29 May 2022	52 weeks ended 30 May 2021
Profit attributable to owners of the parent (£m)	**128.4**	122.0
Weighted average number of ordinary shares in issue (thousands)	**32,813**	32,733
Basic earnings per share (pence per share)	**391.3**	372.7

Diluted earnings per share

The calculation of diluted earnings per share has been based on the profit attributable to owners of the parent and the weighted average number of shares in issue throughout the period, adjusted for the dilutive effect of share options outstanding at the period end.

	52 weeks ended 29 May 2022	52 weeks ended 30 May 2021
Profit attributable to owners of the parent (£m)	**128.4**	122.0
Weighted average number of ordinary shares in issue (thousands)	**32,813**	32,733
Adjustment for share options (thousands)	**60**	194
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**32,873**	32,927
Diluted earnings per share (pence per share)	**390.6**	370.5

12. Dividends per share

Dividends of £13.1m (40 pence per share), £8.2m (25 pence per share), £11.5m (35 pence per share), £21.3m (65 pence per share) and £23.0m (70 pence per share) were declared and paid during the current period. Dividends of £16.4m (50 pence per share) were declared in the prior period and paid during the current period.

Dividends of £9.8m (30 pence per share), £16.3m (50 pence per share), £19.7m (60 pence per share) and £14.7m (45 pence per share) were declared and paid during the prior period.

For the purpose of demonstrating that there were sufficient distributable reserves for dividend payments, interim financial statements for the Company were prepared and filed at Companies House in December 2021 and in April 2022.

NOTES TO THE FINANCIAL STATEMENTS continued

13. Goodwill

Group	2022 £m	2021 £m
Cost at beginning and end of period	**2.4**	2.4
Accumulated amortisation at beginning and end of period	**(1.0)**	(1.0)
Net book value at beginning and end of period	**1.4**	1.4

The Company had no goodwill at either period end.

Impairment tests for goodwill

In accordance with the requirements of IAS 36 'Impairment of Assets' the Group completed a review of the carrying value of goodwill as at each period end. The impairment review was performed to ensure that the carrying value of the Group's assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use. The key assumptions for the recoverable amount of the goodwill are the long-term growth rate and the discount rate. The long-term growth rate used is purely for the impairment testing of goodwill under IAS 36 'Impairment of Assets' and does not reflect the long term planning assumptions used by the Group for any other assessments. In determining the value in use, the calculations use cash flow projections for a period no greater than three years based on plans approved by management and, for the Group's cash-generating unit concerned, assumes a long-term growth rate no higher than 2% (2021: 2%). The estimated future cash flows expected to arise from the continuing use of the assets were calculated using a risk adjusted pre-tax discount rate of 5.20% (2021: 1.29%).

Management reviewed the planned sales growth and gross margin on the investment in future product releases and initiatives currently being undertaken, to deliver the expected future performance. Goodwill is allocated to the Group's cash-generating units (CGUs) for impairment testing. All of the current goodwill arises in the product and supply segment. Sensitivity analysis has not been disclosed in these financial statements since management consider that there is no reasonably possible change in the key assumptions that would cause the carrying value of goodwill to fall below its recoverable amount.

14. Other intangible assets

Group	Computer software £m	Development costs £m	Total £m
Cost			
At 31 May 2020 and 1 June 2020	20.8	45.1	65.9
Additions	2.9	9.7	12.6
Exchange differences	(0.2)	-	(0.2)
Disposals	(1.1)	(7.1)	(8.2)
At 30 May 2021 and 31 May 2021	22.4	47.7	70.1
Additions	1.4	13.9	15.3
Exchange differences	0.2	-	0.2
Disposals	(1.1)	(2.7)	(3.8)
Reclassification	(0.2)	-	(0.2)
At 29 May 2022	**22.7**	**58.9**	**81.6**
Accumulated amortisation			
At 31 May 2020 and 1 June 2020	(13.7)	(34.6)	(48.3)
Amortisation charge	(1.2)	(4.8)	(6.0)
Exchange differences	0.2	-	0.2
Impairment	(0.4)	-	(0.4)
Disposals	1.1	7.0	8.1
At 30 May 2021 and 31 May 2021	(14.0)	(32.4)	(46.4)
Amortisation charge	(1.6)	(10.1)	(11.7)
Exchange differences	(0.1)	-	(0.1)
Impairment	(1.1)	(0.2)	(1.3)
Disposals	1.1	2.4	3.5
At 29 May 2022	**(15.7)**	**(40.3)**	**(56.0)**
Net book amount			
30 May 2021	8.4	15.3	23.7
29 May 2022	**7.0**	**18.6**	**25.6**

Amortisation of £10.4m (2021: £5.1m) has been charged in cost of sales and £1.3m (2021: £0.9m) in operating expenses.

The net book amount of internally generated intangible assets is £16.5m (2021: £21.0m) and acquired intangible assets is £9.3m (2021: £2.7m). The net book amount of internally generated development costs is £12.4m (2021: £13.3m). £11.8m (2021: £12.1m) is capitalised salary costs.

Salary costs of £6.8m (2021: £6.0m) were capitalised as part of development costs and £0.1m (2021: £0.1m) were capitalised as part of computer software during the period.

Assets in the course of development, and not amortised, amount to £1.5m (2021: £0.1m) with current and prior period amounts both being included within computer software.

An impairment loss of £1.1m (2021: £0.4m) has been recognised in relation to alterations required to previously capitalised elements of software. This has been charged to operating expenses.

The Company had no other intangible assets at either period end.

15. Property, plant and equipment

Group	Freehold land and buildings £m	Plant and equipment and vehicles £m	Fixtures and fittings £m	Moulding tools £m	Total £m
Cost					
At 31 May 2020 and 1 June 2020	25.3	33.1	29.2	37.5	125.1
Additions	4.1	7.2	1.7	4.7	17.7
Exchange differences	-	(0.5)	(1.5)	-	(2.0)
Disposals	-	(3.9)	(2.1)	-	(6.0)
At 30 May 2021 and 31 May 2021	29.4	35.9	27.3	42.2	134.8
Additions	0.7	5.8	3.8	6.0	16.3
Exchange differences	-	0.5	0.9	-	1.4
Disposals	-	(1.1)	(0.9)	-	(2.0)
Reclassifications	0.3	0.2	(0.3)	-	0.2
At 29 May 2022	**30.4**	**41.3**	**30.8**	**48.2**	**150.7**
Accumulated depreciation					
At 31 May 2020 and 1 June 2020	(7.6)	(21.9)	(21.5)	(32.1)	(83.1)
Charge for the period	(0.5)	(3.3)	(2.0)	(3.4)	(9.2)
Exchange differences	-	0.4	1.0	-	1.4
Disposals	-	3.8	2.1	-	5.9
At 30 May 2021 and 31 May 2021	(8.1)	(21.0)	(20.4)	(35.5)	(85.0)
Charge for the period	(0.6)	(4.5)	(2.5)	(4.1)	(11.7)
Exchange differences	-	(0.2)	(0.7)	-	(0.9)
Disposals	-	1.2	0.7	-	1.9
At 29 May 2022	**(8.7)**	**(24.5)**	**(22.9)**	**(39.6)**	**(95.7)**
Net book amount					
30 May 2021	21.3	14.9	6.9	6.7	49.8
29 May 2022	**21.7**	**16.8**	**7.9**	**8.6**	**55.0**

Depreciation expense of £8.3m (2021: £6.2m) has been charged in cost of sales, £1.4m (2021: £1.5m) in selling costs and £2.0m (2021: £1.5m) in administrative expenses.

Freehold land amounting to £8.3m (2021: £8.3m) has not been depreciated.

Assets in the course of construction, and not depreciated, amount to £10.3m (2021: £10.0m). £3.6m (2021: £2.4m) of these are included in moulding tools, £4.6m (2021: £5.5m) is included in plant and equipment and vehicles, £0.5m (2021: £nil) is included in freehold land and buildings, and £1.6m (2021: £2.1m) is included in fixtures and fittings above.

The Company held no property, plant and equipment at either period end.

16. Right-of-use assets

Group	**2022 £m**	2021 £m
Net book value at beginning of period	**46.0**	36.8
Additions	**11.9**	23.0
Disposals	**-**	(0.5)
Exchange differences	**1.4**	(2.3)
Depreciation charge	**(11.2)**	(11.0)
	48.1	46.0

The net book value at end of the period can be analysed as follows:

Group	**2022 £m**	2021 £m
Buildings	**47.7**	45.6
Plant and equipment and vehicles	**0.4**	0.4
	48.1	46.0

The Company held no right-of-use assets at either period end.

Depreciation charged on right-of use assets during the period was as follows:

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Buildings	**11.1**	10.9
Plant and equipment and vehicles	**0.1**	0.1
	11.2	11.0

NOTES TO THE FINANCIAL STATEMENTS continued

17. Investments in subsidiaries

Company	2022 £m	2021 £m
Shares in group undertakings - cost		
Beginning of period and end of period	**30.6**	30.6

Investments in group undertakings are stated at cost less any provision for impairment.

A list of subsidiary undertakings is given below.

Interests in group undertakings

Name of undertaking	Registered address of undertaking	Description of shares held	Proportion of nominal value of issued shares held by: Company	Subsidiary company	Principal business activity
Games Workshop Limited	Willow Road, Lenton, Nottingham, NG7 2WS, UK	£1 ordinary	100%		Manufacturer, distributor and retailer of games and miniatures
Games Workshop Retail Inc.	6211 East Holmes Road, Memphis, Tennessee, 38141, USA	$1 common stock		100%	Distributor and retailer of games and miniatures
Games Workshop (Queen Street) Limited	3251 Yonge Street, Toronto, Ontario, M4N 2L5, Canada	Can $1		100%	Retailer of games and miniatures
EURL Games Workshop	10, Rue Joseph Serlin, Lyon, 69001, France	euro 1		100%	Retailer of games and miniatures
Games Workshop SL	Aragón 208-210, planta4 puerta 1 08011 Barcelona, España	euro 1		100%	Retailer of games and miniatures
Games Workshop Oz Pty Limited	23 Liverpool Street, Ingleburn, New South Wales 2565, Australia	Aus $1		100%	Distributor and retailer of games and miniatures
Games Workshop Deutschland GmbH	Am Wehrhahn 32, 40211 Düsseldorf, Deutschland	euro 1		100%	Retailer of games and miniatures
Games Workshop Limited	80 Queen Street, Auckland, 1010, New Zealand	NZ $1		100%	Retailer of games and miniatures
Games Workshop Italia SRL	Viale Castro Pretorio 122, 00185 Roma, Italia	euro 1		100%	Retailer of games and miniatures
Games Workshop International Limited	Willow Road, Lenton, Nottingham, NG7 2WS, UK	£1 ordinary	100%		Holding company for overseas subsidiary companies
Games Workshop US Limited	Willow Road, Lenton, Nottingham, NG7 2WS, UK	£1 ordinary		100%	Holding company for US subsidiary companies
Games Workshop US (Holdings) Limited	Willow Road, Lenton, Nottingham, NG7 2WS, UK	£1 ordinary		100%	Intermediary holding company for US subsidiary companies
Games Workshop Good Hobby (Shanghai) Commercial Co. Ltd	153-155 Xujiahui Road, Huangpu Area, Shanghai, 200021, China	Owners capital		100%	Distributor and retailer of games and miniatures
Games Workshop Trustee Limited	Willow Road, Lenton, Nottingham, NG7 2WS, UK	£1 ordinary	100%		Trustee
Games Workshop Stockholm AB	Master Samuelsgatan 67, Stockholm 11121, Sweden	SEK 100		100%	Retailer of games and miniatures
Games Workshop Hong Kong Limited	3806 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	HK $1 ordinary		100%	Distributor and retailer of games and miniatures
Games Workshop Hobby Pte. Limited	Red House, #01-04, 63 East Coast Road, 428776, Singapore	SG $1 ordinary		100%	Distributor and retailer of games and miniatures
Games Workshop Malaysia Sdn. Bhd.	Unit A-3-6, TTDI Plaza, 3 Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur, Malaysia	MYR 1 ordinary		100%	Distributor and retailer of games and miniatures
Games Workshop Interactive Limited	Willow Road, Lenton, Nottingham, NG7 2WS, UK	£1 ordinary	100%		Dormant
Warhammer Online Limited	Willow Road, Lenton, Nottingham, NG7 2WS, UK	£1 ordinary		100%	Dormant
Citadel Miniatures Limited	Willow Road, Lenton, Nottingham, NG7 2WS, UK	£1 ordinary	100%		Dormant
Games Workshop Step One Limited	Willow Road, Lenton, Nottingham, NG7 2WS, UK	£1 ordinary	100%		Production of motion picture, video and television programmes

All of the above entities are included in the consolidated financial statements for the Group and 100% of the voting rights of all entities is held.

All of the above companies operate principally in their country of incorporation or registration.

The directors consider the value of the investments is supported by the underlying assets of the relevant subsidiary.

18. Deferred tax assets

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The amounts are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Deferred tax assets:				
- deferred tax asset to be recovered after more than 12 months	**17.8**	2.3	-	-
- deferred tax asset to be recovered within 12 months	-	7.8	-	-
	17.8	10.1	-	-

The gross movement on the deferred tax account is as follows:

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Beginning of period	**10.1**	8.9	-	-
Credited to the income statement	**7.9**	1.2	-	-
(Charged)/credited directly to equity	**(1.4)**	0.1	-	-
Exchange differences	**1.2**	(0.1)	-	-
End of period	**17.8**	10.1	-	-

Analysis of the movement in deferred tax assets and liabilities is as follows:

Group	Accelerated depreciation £m	Profit in stock £m	Losses available for offset £m	Other £m	Total £m
At 31 May 2020 and 1 June 2020	1.8	3.3	0.3	3.5	8.9
(Charged)/credited to the income statement	(0.3)	1.4	(0.1)	0.2	1.2
Credited directly to equity	-	-	-	0.1	0.1
Exchange differences	-	-	-	(0.1)	(0.1)
At 30 May 2021 and 31 May 2021	1.5	4.7	0.2	3.7	10.1
(Charged)/credited to the income statement	(1.3)	8.1	-	1.1	7.9
Charged directly to equity	-	-	-	(1.4)	(1.4)
Exchange differences	-	1.1	-	0.1	1.2
At 29 May 2022	**0.2**	**13.9**	**0.2**	**3.5**	**17.8**

The profit in stock deferred tax asset arises on temporary differences between the recognition of profits on intra group sales within the consolidated group financial statements and the financial statements of subsidiary undertakings.

Other deferred tax assets include deferred tax on adjustments for inventory provisions of £1.6m (2021: £0.4m), tax relief on exercise of share options of £0.5m (2021: £2.0m), tax relief on intangible assets of £0.1m (2021: £0.1m) and tax relief on the long service incentive scheme of £0.4m (2021: £0.4m).

Deferred tax assets are recognised in respect of tax losses and temporary differences to the extent that the realisation of the related tax benefit through future taxable profits is probable. This is based on a review of the track record of profitability in the country concerned. There was no unrecognised deferred tax at 29 May 2022 or 30 May 2021 in either the Group or the Company.

The Group did not obtain a current tax benefit from previously unrecognised tax losses in either of the periods presented.

Company

Deferred tax assets of the Company in respect of accelerated depreciation and other temporary differences were less than £0.1m throughout the periods from 1 June 2020 to 29 May 2022.

19. Inventories

Group	**2022 £m**	2021 £m
Raw materials	**1.4**	0.3
Work in progress	**1.9**	2.0
Finished goods and goods for resale	**35.1**	25.2
	38.4	27.5

The Group holds no inventories at fair value less costs to sell.

During the period, the Group utilised an inventory provision of £8.9m (2021: £2.9m) and £10.6m (2021: £0.9m) has been charged to the income statement.

The Company held no inventories at either period end.

NOTES TO THE FINANCIAL STATEMENTS continued

20. Trade and other receivables

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Trade receivables	**9.1**	8.1	**-**	-
Less allowance for expected credit losses	**(0.5)**	(0.3)	**-**	-
Trade receivables - net	**8.6**	7.8	**-**	-
Prepayments and accrued income	**11.7**	9.9	**-**	-
Licensing and other receivables	**38.7**	19.2	**0.3**	0.1
Receivables from group companies	**-**	-	**8.5**	5.8
Loans to group companies	**-**	-	**31.6**	3.9
Total trade and other receivables	**59.0**	36.9	**40.4**	9.8
Non-current receivables:				
Other receivables	**19.4**	6.3	**-**	-
Loans to group companies	**-**	-	**31.6**	3.9
Non-current portion	**19.4**	6.3	**31.6**	3.9
Current portion	**39.6**	30.6	**8.8**	5.9

Trade receivables are recorded at amortised cost, less allowance for expected credit losses. The fair value of trade and other receivables does not differ materially from the book value. There is no significant concentration of credit risk with respect to trade receivables as the Group has a large number of customers which are internationally dispersed. The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of asset above. The Group does not hold any collateral over these balances.

Included within prepayments and accrued income are contract assets relating to uninvoiced licensing revenue amounting to £1.8m (2021: £1.2m). Included within licensing and other receivables is invoiced licensing revenue of £26.0m (2021: £11.5m) of which £18.5m (2021: £5.4m) is non-current, being in respect of guarantee instalments due in over one year. Licensing receivables have been assessed for impairment, and are recognised less allowance for expected credit losses. There is no significant credit risk with respect to licensing revenue as the Group chooses low risk partners and receives regular guarantee instalments in advance of the release of a licensed product or game.

Also included within other receivables is £11.3m relating to a VAT receivable in respect of outstanding European VAT receipts following Brexit.

Receivables due from group companies to the Company are interest free and immediately repayable on demand. Provision for impairment of amounts receivable from group companies have been assessed based on lifetime expected credit losses. As all balances are repayable on demand, and the Company expects to be able to recover the outstanding balances if demanded, no provision has been recognised in the 52 weeks ended 29 May 2022 (2021: £nil).

The loan due to the Company from Games Workshop Retail Inc. has a repayment date of 1 September 2022 and bears interest at USD LIBOR +1%. It is expected that this loan will be renewed, and not repaid within 12 months. All other loans from group undertakings are interest free and have no fixed repayment date.

Loss allowances are established using the IFRS 9 simplified approach to expected credit losses. A lifetime loss allowance is calculated based on historical credit losses and is applied to trade receivables held across the Group. The ageing analysis of the Group's past due trade receivables is as follows:

	2022			2021		
	Gross value	**Loss allowance**	**Net**	Gross value	Loss allowance	Net
Group	**£m**	**£m**	**£m**	£m	£m	£m
Up to 3 months past due	**0.8**	**(0.1)**	**0.7**	0.2	-	0.2
3 to 12 months past due	**0.2**	**(0.2)**	**-**	0.2	(0.1)	0.1
Over 12 months past due	**-**	**-**	**-**	0.2	(0.1)	0.1
	1.0	**(0.3)**	**0.7**	0.6	(0.2)	0.4

In addition to the above there is a loss allowance of £0.2m against current debt (2021: £0.1m).

Loss allowance against trade receivables

Movements on the loss allowance against trade receivables are as follows:

Group	£m
At 31 May 2020 and 1 June 2020	0.5
Receivables written off during the period as uncollectible	(0.2)
At 30 May 2021 and 31 May 2021	0.3
Charge for the period	0.6
Receivables written off during the period as uncollectible	(0.4)
At 29 May 2022	**0.5**

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2022	2021
	£m	£m
Sterling	**14.9**	13.4
Euro	**15.2**	7.2
US dollar	**24.9**	13.2
Other currencies	**4.0**	3.1
Total trade and other receivables	**59.0**	36.9

21. Cash and cash equivalents

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Cash at bank and in hand	**71.4**	85.2	**30.4**	20.2
Cash and cash equivalents	**71.4**	85.2	**30.4**	20.2

There were no utilised borrowing facilities at 29 May 2022 or 30 May 2021.

22. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), liquidity risk, capital risk and credit risk. The Group's financial risk management objective is to understand the nature and impact of the financial risks and exposures facing the business.

Foreign currency risk

The majority of the Group's business is transacted in sterling, euros and US dollars. The principal currency of the Group is sterling.
The Group is exposed to foreign exchange risk principally via:

- transactional exposure arising from the future sales and purchases that are denominated in a currency other than the functional currency of the transacting company.
- translation exposure arising on investments in foreign operations, where the net assets are denominated in a currency other than sterling.
- loans to non-UK subsidiaries.

The Group does not use foreign currency borrowings or forward foreign currency contracts to hedge foreign currency risk. The level of the Group's exposure to foreign currency risk is regularly reviewed by the Group's finance director and the Group's treasury policies, including hedging policies, are reviewed to ensure they remain appropriate.

Foreign exchange sensitivity

The impact on the Group's financial assets and liabilities from foreign currency volatility is shown in the sensitivity analysis below.

The sensitivity analysis has been prepared based on all material financial assets and liabilities held at the balance sheet date and does not reflect all the changes in revenue or expenses that may result from changing exchange rates. The analysis is prepared for the euro and US dollar given that these represent the major foreign currencies in which financial assets and liabilities are denominated. The sensitivities shown act as a reasonable benchmark considering the movements in currencies over the last two financial periods.

The following assumptions were made in calculating the sensitivity analysis:

- *financial assets and liabilities (including financial instruments) are only considered sensitive to movements in foreign currency exchange rates where they* are not in the functional currency of the entity that holds them.
- translation of results of overseas subsidiaries is excluded.

Using the above assumptions, the following table shows the sensitivity of the Group's income statement to movements in foreign exchange rates on US dollar and euro financial assets and liabilities:

	2022	2021
	Income gain	Income gain
	£m	£m
15% appreciation of the US dollar (2021: 15%)	**8.3**	3.2
15% appreciation of the euro (2021: 15%)	**4.6**	-

A depreciation of the stated currencies would have an equal and opposite effect.

There is no impact on equity gains or losses.

Interest rate risk

The Group has no significant exposure to interest rate risk and hence no interest rate sensitivity has been shown.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to independent retailers. The Group controls credit risk from a treasury perspective by only entering into transactions involving financial instruments with authorised counter-parties with a credit rating of at least 'A', and by ensuring that such positions are monitored regularly. Credit risk on cash and short term deposits is limited because the counter-parties are banks with high credit ratings assigned by international credit rating agencies.

There is no significant concentration of credit risk with respect to trade receivables, as the Group has a large number of customers that are internationally dispersed. Policies are also in place to ensure the wholesale sales of products are made to customers with an appropriate credit history and credit limits are periodically reviewed. Amounts recoverable from customers are reviewed on an ongoing basis and appropriate provision made for bad and doubtful debts (note 20). *Provision requirements are determined with reference to ageing of invoices, credit history and other available information. Trade receivables are* written off when there is no reasonable expectation of recovery, such as when the customer has been declared insolvent.

Sales made through our own retail stores or our global web stores are made in cash or with major credit cards.

NOTES TO THE FINANCIAL STATEMENTS continued

22. Financial risk factors continued

Capital risk

The capital structure of the Group consists of net funds (see note 30) and owners' equity (see notes 27 to 28). The Group manages its capital to safeguard the ability to operate as a going concern and to optimise returns to shareholders. The Group's objective is not to use long term debt to finance the business. Overdraft facilities will be used to finance the working capital cycle if required.

The Group manages its capital structure and adjusts it in light of changes to economic conditions and its strategic objectives. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, buy back shares and cancel them or issue new shares. The Group uses return on capital employed to assess capital asset performance.

Liquidity risk

Liquidity is managed by maintaining sufficient cash balances to meet working capital needs. Cash flow requirements are monitored by short and long term rolling forecasts both within the local operating units and for the overall group. In addition, the Group's liquidity management policy involves projecting cash flows in the major currencies and considers the level of liquid assets necessary to meet these, monitoring working capital levels and liquidity ratios.

The undiscounted contractual cash flows of the Group's financial liabilities, including interest charges where applicable, are shown below. All trade payables are contractually due within 12 months and therefore the fair values do not differ from their carrying values.

	2022				2021			
	Within 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**More than 5 years**	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Group	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m
Trade and other payables	**22.6**	**-**	**-**	**-**	24.6	-	-	-
Lease liabilities	**9.9**	**9.2**	**17.2**	**15.5**	9.3	8.7	15.7	16.5
	32.5	**9.2**	**17.2**	**15.5**	33.9	8.7	15.7	16.5

	Within 1 year 2022	Within 1 year 2021
Company	**£m**	£m
Trade and other payables	**1.9**	1.9

Financial instruments by category

	Group Financial assets at amortised cost		Company Financial assets at amortised cost	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Financial assets as per balance sheet				
Trade receivables	**8.6**	7.8	**-**	-
Accrued income	**1.8**	1.2	**-**	-
Licensing and other receivables	**27.3**	13.8	**0.3**	0.1
Receivables from group companies	**-**	-	**8.5**	5.8
Loans to group companies	**-**	-	**31.6**	3.9
Cash and cash equivalents	**71.4**	85.2	**30.4**	20.2
Total	**109.1**	108.0	**70.8**	30.0

	Group Financial liabilities at amortised cost		Company Financial liabilities at amortised cost	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Financial liabilities as per balance sheet				
Trade payables	**9.5**	12.1	**0.1**	0.1
Other payables	**4.4**	4.4	**1.2**	0.1
Accruals	**8.7**	8.1	**0.2**	1.3
Payables to group companies	**-**	-	**0.4**	0.4
Loans from group companies	**-**	-	**27.7**	-
Lease liabilities	**48.9**	47.0	**-**	-
Total	**71.5**	71.6	**29.6**	1.9

Prepayments, deferred income balances and other taxes and social security payables have been excluded from the above as they are not financial assets or liabilities.

The loan due to Games Workshop Limited by the Company has a repayment date of 1 September 2022 and bears interest at USD LIBOR +1%. It is expected that this loan will be renewed, and not repaid within 12 months. Payables due to group companies by the Company are interest free and immediately repayable on demand.

23. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

Group	2022 £m	2021 £m
Current	**9.2**	8.6
Non-current	**39.7**	38.4
	48.9	47.0

The Group's leasing activity consists of leases on property, production equipment, IT equipment and motor vehicles. The majority of these leases relate to retail stores. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

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 payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments to be made under reasonably certain extension options.

Variable lease payments not dependent on an index or a rate (such as turnover rent) are excluded from the measurement of the lease liability and asset.

Leases of retail property generally have a lease term ranging from 1 year to 10 years with a break option after no more than 5 years. Leases of other property, which includes warehouses and offices, generally have a lease term ranging from 2 years to 15 years. Leases of production equipment generally have a lease term ranging from 1 year to 5 years. Leases of vehicles and IT equipment are generally limited to a lease term of 1 to 3 years.

Amounts recognised in the income statement relating to leases:

	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Interest on lease liabilities	**0.8**	0.9
Expenses relating to short-term leases and low-value assets	**0.8**	0.7

Amounts recognised in the statement of cash flows relating to leases:

Group	52 weeks ended 29 May 2022 £m	52 weeks ended 30 May 2021 £m
Total cash outflow for leases	**12.7**	*11.6*

The prior period cash outflows have been updated to include values paid out for low value, short term and variable lease payments.
The lease liabilities are secured by the related underlying assets. Future minimum lease payments as at the balance sheet date were due as follows:

	2022				2021			
Group	Within 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	More than 5 years £m	Within 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	More than 5 years £m
Lease payments	**9.9**	**9.2**	**17.2**	**15.5**	9.3	8.7	15.7	16.5
Finance charges	**(0.7)**	**(0.5)**	**(1.0)**	**(0.7)**	(0.7)	(0.6)	(1.1)	(0.8)
Net present value	**9.2**	**8.7**	**16.2**	**14.8**	8.6	8.1	14.6	15.7

The Company held no lease liabilities at either period end.

24. Trade and other payables

	Group		*Company*	
	2022 £m	2021 £m	2022 £m	2021 £m
Current				
Trade payables	**9.5**	12.1	**0.1**	0.1
Other taxes and social security	**0.9**	1.9	**0.1**	-
Other payables	**7.9**	8.9	**1.2**	0.1
Accruals	**10.5**	10.5	**0.2**	1.3
Deferred income	**4.7**	2.0	**-**	-
Payables to group companies	**-**	-	**0.4**	0.4
Total trade and other payables	**33.5**	35.4	**2.0**	1.9

The fair value of trade and other payables does not materially differ from the book value.

Payables due to group companies by the Company are interest free and immediately payable on demand.

NOTES TO THE FINANCIAL STATEMENTS continued

25. Other non-current liabilities

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Accruals	**0.6**	0.6	**0.2**	0.2
Loans from group companies	**-**	-	**27.7**	-
Total other non-current liabilities	**0.6**	0.6	**27.9**	0.2

The fair value of other non-current liabilities does not materially differ from the book value.

The loan due to Games Workshop Limited from the Company has a repayment date of 1 September 2022 and bears interest at USD LIBOR +1%. It is expected that this loan will be renewed, and not repaid within 12 months.

The carrying amounts of the Group's trade and other payables and other non-current liabilities are denominated in the following currencies:

	2022	2021
	£m	£m
Sterling	**18.6**	17.7
Euro	**2.6**	10.3
US dollar	**10.1**	5.5
Other currencies	**2.8**	2.5
Total trade and other payables and other non-current liabilities	**34.1**	36.0

26. Provisions for other liabilities and charges

Analysis of total provisions:

	Group		Company	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
Current	**0.8**	0.6	**-**	-
Non-current	**1.5**	1.7	**-**	0.1
	2.3	2.3	**-**	0.1

Group	Employee benefits £m	Property £m	Total £m
At 30 May 2021 and 31 May 2021	2.3	-	2.3
Charged/(credited) to the income statement:			
- Additional provisions	0.1	0.1	0.2
- Unused amounts reversed	(0.5)	-	(0.5)
Additional provision charged to right-of-use assets	-	0.4	0.4
Utilised	(0.1)	-	(0.1)
At 29 May 2022	**1.8**	**0.5**	**2.3**

The fair value of provisions does not differ from the book value.

Employee benefits

The Group operates a long service incentive scheme under which employees receive a one-off additional holiday entitlement of two weeks when they reach 10, 20, 30 and 40 years of employment (Veterans scheme). The cost of this benefit is accrued over the period of employment based on expected staff retention rates and the anticipated employment costs and are utilised once an employee reaches 10, 20, 30 or 40 years of employment.

Property

Provisions are made for property dilapidations where a legal obligation exists, or where the end of the lease commitment is imminent and a reliable estimate of the exit liability can be made.

27. Share capital

	Number of shares (thousands)	Called up share capital £m	Share premium £m	Total called up share capital and share premium £m
At 31 May 2020	32,675	1.6	13.1	14.7
Shares issued under employee sharesave scheme	101	-	1.4	1.4
At 30 May 2021	32,776	1.6	14.5	16.1
Shares issued under employee sharesave scheme	64	-	1.8	1.8
At 29 May 2022	**32,840**	**1.6**	**16.3**	**17.9**

During the period 63,636 ordinary shares were issued (2021: 101,271). The total authorised number of shares is 42,000,000 shares (2021: 42,000,000 shares) with a par value of 5p per share (2021: 5p per share). All issued shares are fully paid.

28. Other reserves

Group	2022 Capital redemption reserve £m	2022 Translation reserve £m	2022 Other reserve £m	2022 Total £m	2021 Capital redemption reserve £m	2021 Translation reserve £m	2021 Other reserve £m	2021 Total £m
Beginning of period	**0.1**	**3.0**	**(1.0)**	**2.1**	0.1	6.1	(1.0)	5.2
Exchange differences on translation of foreign operations	**-**	**0.8**	**-**	**0.8**	-	(3.1)	-	(3.1)
End of period	**0.1**	**3.8**	**(1.0)**	**2.9**	0.1	3.0	(1.0)	2.1

The other reserve relates to a bonus issue to the previous holders of the Company's ordinary shares created on flotation.

As at 29 May 2022, the Company's capital redemption reserve was £0.1m (2021: £0.1m).

29. Notes to the cash flow statement

Reconciliation of profit/(loss) to net cash from operating activities

	Group 2022 £m	Group 2021 £m	Company 2022 £m	Company 2021 £m
Profit before taxation	**156.5**	150.9	**(3.5)**	(3.3)
Finance income	**(0.2)**	(0.2)	**-**	-
Finance costs	**0.8**	1.0	**-**	-
Operating profit/(loss)	**157.1**	151.7	**(3.5)**	(3.3)
Adjustments for:				
Depreciation of property, plant and equipment	**11.7**	9.2	**-**	-
Depreciation of right-of-use assets	**11.4**	11.0	**-**	-
Net impairment charge of intangible assets	**1.3**	0.4	**-**	-
Loss on disposal of intangible assets (see below)	**0.3**	0.1	**-**	-
Amortisation of capitalised development costs	**10.1**	4.8	**-**	-
Amortisation of other intangibles	**1.6**	1.2	**-**	-
Share-based payments	**1.6**	1.2	**-**	-
Dividend income from investments in subsidiary undertakings	**-**	-	**105.9**	81.3
Changes in working capital:				
- Increase in inventories	**(12.2)**	(6.2)	**-**	-
- Increase in trade and other receivables	**(21.5)**	(10.8)	**(29.9)**	(0.2)
- (Decrease)/increase in trade and other payables	**(2.2)**	3.1	**29.4**	1.3
- Decrease in provisions	**-**	(0.9)	**(0.1)**	-
Net cash from operating activities	**159.2**	164.8	**101.8**	79.1

The Group disposed of intangible assets with net book amount of £0.3m (2021: £0.1m). There were no proceeds on disposal in either period and hence a loss on disposal equivalent to the net book value was recorded.

30. Analysis of net funds

Group	2022 £m	2021 £m
Cash at bank and in hand	**71.4**	85.2
Lease liabilities	**(48.9)**	(47.0)
Net funds	**22.5**	38.2

Company	2022 £m	2021 £m
Cash at bank and in hand	**30.4**	20.2
Net funds	**30.4**	20.2

NOTES TO THE FINANCIAL STATEMENTS continued

30. Analysis of net funds continued

Group	Liabilities from financing activities £m	Cash at bank £m	Total £m
Net funds as at 31 May 2020 and 1 June 2020	(37.0)	52.9	15.9
Cash flows	10.0	32.9	42.9
Acquisition - leases	(22.4)	-	(22.4)
Interest expense	(0.9)	-	(0.9)
Interest payments	0.9	-	0.9
Remeasurement adjustments	0.1	-	0.1
Foreign exchange movement	2.3	(0.6)	1.7
Net funds as at 30 May 2021 and 31 May 2021	(47.0)	85.2	38.2
Cash flows	11.1	(14.2)	(3.1)
Acquisition – leases	(11.4)	-	(11 4)
Interest expense	(0.8)	-	(0.8)
Interest payments	0.8	-	0.8
Foreign exchange movement	(1.6)	0.4	(1.2)
At 29 May 2022	**(48.9)**	**71.4**	**22.5**

The Company holds no lease liabilities and had no cash flows arising from financing activities during either period.

31. Commitments

Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

Group	**2022 £m**	2021 £m
Property, plant and equipment	**2.3**	2.8
Intangible assets	**2.0**	0.7

Leases

The Group leases various retail stores, offices, warehouses and equipment under non-cancellable lease arrangements. The liabilities for these leases are recorded on the Group's balance sheet when the Group obtains control of the underlying asset. The Group has additional commitments relating to leases where the Group has entered into an obligation but does not yet have control of the underlying asset. The future lease payments to which the Group is committed over the expected lease term, but not recorded on the Group's balance sheet are as follows:

Group	**2022 £m**	2021 £m
Within 1 year	-	-
Between 1 and 5 years inclusive	-	0.2
In over 5 years	-	-
	-	0.2

The Company had no capital commitments or commitments to leases at either period end.

Inventory purchase commitments

Group	**2022 £m**	2021 £m
Finished goods	**1.8**	2.9
Components	**2.0**	1.0
Raw materials	**2.9**	0.6

The Company had no inventory purchase commitments at either period end.

Pension arrangements

The Group and Company operate defined contribution schemes. Commitments in respect of pensions are included within prepayments and accruals.

32. Contingencies

The Company provides indemnities to third parties in respect of contracts regarding their use of the Group's intellectual property, under commercial terms in the normal course of business.

The Company has also guaranteed the bank overdrafts of certain Group undertakings. There were no amounts outstanding under these arrangements at either period end.

For the 52 weeks ended 29 May 2022, the subsidiary companies listed below are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A. As a result, the Company guarantees all outstanding liabilities to which the subsidiary companies are subject.

Name of undertaking	Country of incorporation or registration	Company registration number
Games Workshop Limited	England and Wales	1467092
Games Workshop International Limited	England and Wales	2924330
Games Workshop US Limited	England and Wales	7462905
Games Workshop US (Holdings) Limited	*England and Wales*	*4428814*
Games Workshop Step One Limited	England and Wales	12448253

The Group has provided a guarantee of £0.1m (2021: £0.1m) to the Canada Revenue Agency in relation to the non-resident sales tax returns of Games Workshop Limited.

33. Related party transactions

During the period the Company provided management and similar services to Games Workshop Limited, a subsidiary undertaking.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation for the Group.

Transactions between the Company and its subsidiaries are shown below:

Subsidiary	Nature of transaction	**2022 £m**	2021 £m
Games Workshop Limited	Recharges	**0.4**	0.2
	Dividend received	**105.0**	78.0
Games Workshop International Limited	Dividend received	**0.9**	3.3

Receivables/(payables) outstanding between the Company and its subsidiaries are shown below:

	Amount owed by subsidiaries		Amount owed to subsidiaries	
Subsidiary	**2022 £m**	2021 £m	**2022 £m**	2021 £m
Games Workshop Limited	**8.2**	5.7	**(0.3)**	(0.3)
Games Workshop Retail Inc.	**0.2**	0.1	**-**	-
Games Workshop Good Hobby (Shanghai) Commercial Co. Ltd	**0.1**	-	**-**	-
Games Workshop Deutschland GmbH	**-**	-	**(0.1)**	(0.1)
	8.5	5.8	**(0.4)**	(0.4)

Non-current loans outstanding between the Company and its subsidiaries are shown below:

	Amount owed by subsidiaries		Amount owed to subsidiaries	
Subsidiary	**2022 £m**	2021 £m	**2022 £m**	2021 £m
Games Workshop Limited	**3.9**	3.9	**(27.7)**	-
Games Workshop Retail Inc.	**27.7**	-	**-**	-
Games Workshop Interactive Limited	**6.8**	6.8	**-**	-
Less provision for impairment	**(6.8)**	(6.8)	**-**	-
	31.6	3.9	**(27.7)**	-

NOTES TO THE FINANCIAL STATEMENTS continued

34. Share-based payments

Options to acquire share capital of the Group have been granted to eligible employees who enter into a sharesave contract. Participation in the sharesave scheme is offered to all employees of the Group who have been employed for a continuous period determined by the board. Under the sharesave contract, participating employees are granted a share option, giving the future right to purchase shares in the Company at a 15%-20% discount on the share price at the time of the invitation. Employees save a regular sum each month up to a maximum of £500 per month for three years, or for two years for the US. At the end of this period, on completion of the contract, employees immediately have six months to exercise their options.

Share options outstanding at the period end date have the following expiry date and exercise prices:

				Share options outstanding	
				2022	2021
Scheme	Grant date	Expiry date	Exercise price	**No.**	No.
2017 Scheme - Rest of world	27 Sept 2017	1 May 2021	£13.08	-	275
2018 Scheme - Rest of world	26 Sept 2018	1 May 2022	£28.59	-	58,086
2018 Scheme - France	26 Sept 2018	1 May 2022	£31.77	-	529
2019 Scheme - Rest of world	25 Sept 2019	1 May 2023	£34.38	**74,406**	78,173
2019 Scheme - France	25 Sept 2019	1 May 2023	£35.87	**521**	612
2019 Scheme - USA	1 Oct 2019	1 Oct 2021	£39.87	-	3,859
2020 Scheme - Rest of world	23 Sept 2020	1 May 2024	£71.43	**47,483**	53,502
2020 Scheme - France	23 Sept 2020	1 May 2024	£76.99	**465**	570
2020 Scheme - USA	1 Oct 2020	1 Oct 2022	£85.65	**2,156**	2,415
2021 Scheme - Rest of world	20 Sept 2021	1 May 2025	£95.07	**38,296**	-
2021 Scheme - France	20 Sept 2021	1 May 2025	£93.46	**421**	-
2021 Scheme - USA	1 Oct 2021	1 Oct 2023	£87.98	**2,822**	-
				166,570	198,021

The following table summarises the movements in sharesave options during the period:

	2022		2021	
	No. of options	**Weighted average exercise price**	No. of options	Weighted average exercise price
Outstanding at beginning of the period	**198,021**	**£43.51**	247,166	£24.66
Granted	**49,116**	**£94.60**	58,661	£72.08
Exercised	**(63,636)**	**£29.48**	(101,271)	£14.00
Forfeited	**(16,931)**	**£74.97**	(6,535)	£40.85
Outstanding at end of the period	**166,570**	**£60.74**	198,021	£43.51
Exercisable at end of the period	-	-	275	£13.08

All options granted will be equity settled.

The weighted average market price of Games Workshop Group PLC shares at the date of exercise of sharesave scheme options during the period was £95.18 (2021: £98.17).

The assessed fair values at grant date of options granted during the period were as follows:

Scheme	
2021 Scheme - Rest of world	£33.47
2021 Scheme - France	£34.13
2021 Scheme - USA	£27.49

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option.

FIVE YEAR SUMMARY

	2022 £m	Restated 2021 £m	Restated 2020 £m	Restated 2019 £m	Restated 2018 £m
Core revenue	386.8	353.2	269.7	256.6	221.3
Licensing revenue	28.0	16.3	16.8	11.3	9.6
Revenue	**414.8**	369.5	286.5	267.9	230.9
Operating profit	**157.1**	151.7	90.0	81.2	74.3
Finance income	**0.2**	0.2	0.1	0.1	0.1
Finance costs	**(0.8)**	(1.0)	(0.7)	-	(0.1)
Profit before taxation	**156.5**	150.9	89.4	81.3	74.3
Income tax expense	**(28.1)**	(28.9)	(18.1)	(15.5)	(14.8)
Profit attributable to owners of the parent	**128.4**	122.0	71.3	65.8	59.5
Basic earnings per ordinary share (pence per share)	**391.3**	372.7	218.7	202.9	184.3

Comparative financial information for revenue and gross profit has been restated for the reclassification of licensing revenue, previously included as royalties receivable in other operating income.

FINANCIAL CALENDAR

Annual general meeting	21 September 2022
Announcement of half yearly report	January 2023
Financial period end	28 May 2023
Announcement of final results	July 2023

GLOSSARY

Alternative Performance Measures (APMs)

APM definitions	Closest equivalent IFRS measure	Reconciliation to closest IFRS measure where applicable
Core revenue Direct sales made of our core products to external customers, through the Group's network of retail stores, independent retailers and online through the global web stores	Revenue	Core revenue is reconciled to revenue in note 4 to the financial statements.
Core gross profit Core gross profit is core revenue less all related cost of sales	Gross profit	Core gross profit is reconciled to gross profit in note 4 to the financial statements.
Core operating expenses Operating expenses relating to the core business of selling directly to external customers	Operating expenses	Core operating expenses are reconciled to operating expenses in note 4 to the financial statements.
Core operating profit Core operating profit is core revenue less all related cost of sales and operating expenses	Operating profit	Core operating profit is reconciled to operating profit in note 4 to the financial statements.
Licensing revenue Income relating to royalties earned from third party licensees.	Revenue	Licensing revenue is reconciled to revenue in note 4 to the financial statements.
Licensing gross profit Licensing gross profit is licensing revenue less any related cost of sales	Gross profit	Licensing gross profit is reconciled to gross profit in note 4 to the financial statements.
Licensing operating expenses Operating expenses relating to the licensing segments	Operating expenses	Licensing operating expenses are reconciled to operating expenses in note 4 to the financial statements.
Licensing operating profit Licensing operating profit is licensing revenue less all related cost of sales and operating expenses	Operating profit	Licensing operating profit is reconciled to operating profit in note 4 to the financial statements.
Revenue at constant currency Revenue for the current and prior period converted at a constant exchange rate.	Revenue	This is calculated by converting underlying revenue amounts at local currency value for both the current and prior period at the prior period average exchange rate.
Operating profit at constant currency Operating profit for the current and prior period converted at a constant exchange rate.	Operating profit	This is calculated by converting underlying operating profit amounts at local currency value for both the current and prior period at the prior period average exchange rate.
Core average capital employed This is a measure of the capital employed in the core business averaged over a 12 month period	None	This value is calculated by taking monthly net assets and adjusting for any cash, borrowings, licensing receivables, exceptional provisions, taxation and dividends, for each of the 12 months. These are then added together and divided by 12 to give the core average capital employed.
Return on capital employed (ROCE) Measure of the profit relative to the amount of capital employed. The higher the ROCE, the greater the return for the capital employed	None	Return is calculated by dividing the core operating profit by the core average capital employed.
Cash generated - pre dividends paid Movement in cash in the period before any payments of dividends are taken into account	Net increase/(decrease) in cash and cash equivalents	Net increase in cash-pre dividends paid can be calculated by taking the net increase/(decrease) in cash and cash equivalents and adding back the dividends which have been paid in the period.
Cash generated from core activities Net cash generated from operating activities less the licensing cash received	Net cash generated from operating activities	This is calculated by taking the net cash generated from operating activities in the cash flow of £121.5 million (2021: £132.7 million) less the cash received in respect of licensing of £15.4 million (2021: £14.2 million).

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Games Workshop Group PLC (the 'Company') will be held at Willow Road, Lenton, Nottingham, NG7 2WS, at 10.00 am on 21 September 2022 for the following purposes:

Ordinary business
As ordinary business to consider and, if thought fit, to pass the following resolutions 1 to 11 as ordinary resolutions:

Resolution 1
To receive the Company's annual financial statements for the 52 weeks ended 29 May 2022 together with the directors' report, the remuneration report and the independent auditors' report on those financial statements, the auditable part of the remuneration report and the directors' report.

Resolution 2
To re-elect K D Rountree as a director.

Resolution 3
To re-elect R F Tongue as a director.

Resolution 4
To re-elect E O'Donnell as a director.

Resolution 5
To re-elect J R A Brewis as a director.

Resolution 6
To re-elect K E Marsh as a director.

Resolution 7
To elect R Casson as a director.

Resolution 8
To appoint KPMG International Limited as independent auditors to hold office until the conclusion of the next general meeting at which financial statements are laid by the Company.

Resolution 9
To authorise the directors to fix the auditors' remuneration.

Resolution 10
To approve the remuneration report (excluding the directors' remuneration policy set out on pages 39 to 41) for the 52 weeks ended 29 May 2022.

Special business
To consider and, if thought fit, pass the following resolutions, of which resolution 11 will be proposed as an ordinary resolution and resolutions 12 and 13 will be proposed as special resolutions.

Resolution 11
That the directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot Relevant Securities (as defined below) up to an aggregate nominal amount of £541,863 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 20 December 2023 or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Relevant Securities means: (i) shares in the Company other than shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act), a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security or a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; (ii) any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act). References to the allotment of Relevant Securities in this resolution include the grant of such rights.

Resolution 12
That subject to the passing of resolution 11 above, the directors of the Company be given the general power pursuant to sections 570 to 573 of the Companies Act 2006 (the 'Act') to allot or make offers or agreements to allot equity securities for cash, either pursuant to the authority conferred by resolution 11 above or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

(a) the allotment of equity securities in connection with a rights issue so that for this purpose 'rights issue' means an offer of equity securities open for acceptance for a period fixed by the directors to holders of equity securities on the register on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with rights attached thereto but subject to such exclusions or other arrangements as the directors consider necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory; and
(b) the allotment of equity securities up to an aggregate nominal amount of £82,101.

The power granted by this resolution will expire on 20 December 2023 or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired. This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities. For the purposes of this resolution the expression 'equity securities' and references to 'allotment of equity securities' respectively have the meanings given to them in section 560 of the Act.

Resolution 13
That the Company be and is hereby granted general and unconditional authority for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 5p each in the capital of the Company ('ordinary shares') on such terms and in such manner as the directors may from time to time determine provided that:

(a) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or on 20 December 2023 whichever is the earlier;
(b) the maximum aggregate number of ordinary shares that may be purchased is 3,284,020;
(c) the minimum price (excluding expenses) which may be paid for an ordinary share is 5p;
(d) the maximum price (excluding expenses) which may be paid for an ordinary share is the higher of: (i) an amount equal to 105 per cent of the average market value of an ordinary share in the Company for the five business days prior to the day on which the purchase is made; and (ii) the value of an ordinary share calculated on the basis of the higher of the price quoted for: (a) the last independent trade of; and (b) the highest current independent bid for, any number of the Company's ordinary shares on the trading venue where the purchase is carried out; and
(e) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares in pursuance of any such contract.

By order of the board
R Matthews
Company secretary
25 July 2022 Registered office:
Willow Road, Lenton
Nottingham
NG7 2WS
Registered in England and Wales under number 2670969

Notes

1. Only those members registered on the Company's register of members at 6.30 pm on 13 September 2021 or, if this meeting is adjourned, at 6.30pm on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this document. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. Details of how to appoint more than one proxy are set out in the notes to the proxy form.
5. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To appoint a proxy using the proxy form, the form must be completed and signed and sent or delivered to the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, BN99 6DA so as to be received no later than 48 hours before the time fixed for holding the meeting. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. The cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, BN99 6DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, BN99 6DA no later than the time fixed for holding the meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
10. Appointment of a proxy does not preclude you from attending the meeting and voting in person.
11. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
12. As at 21 July 2022 (being the last practical date prior to the publication of this notice), the Company's issued share capital comprised 32,840,204 ordinary shares of 5 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 21 July 2022 is 32,840,204. The website referred to in note 21 will include information on the number of shares and voting rights.
13. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') you may have a right under an agreement between you and the member of the Company who has nominated you (a 'Relevant Member') to have information rights to be appointed or to have someone else appointed as a proxy for the meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
14. You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the proxy form), to communicate with the Company for any purposes other than those expressly stated.
15. Under section 338 of the Companies Act 2006, a member or members meeting the qualification criteria set out at note 18 below, may, subject to conditions, require the Company to give to members notice of a resolution which may properly be moved and is intended to be moved at that meeting. The conditions are that: (a) the resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise); (b) the resolution must not be defamatory of any person, frivolous or vexatious; (c) the request may be in hard copy form or in electronic form (see note 19 below), must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported, must be authenticated by the person or persons making it (see note 19 below); and must be received by the Company not later than 6 weeks before the meeting to which the request relates.
16. Under section 338A of the Companies Act 2006, a member or members meeting the qualification criteria set out at note 18 below, may, subject to conditions, require the Company to include in the business to be dealt with at the meeting a matter (other than a proposed resolution) which may properly be included in the business (a matter of business). The conditions are that: (a) the matter of business must not be defamatory of any person, frivolous or vexatious, (b) the request may be in hard copy form or in electronic form (see note 19 below), must identify the matter of business by setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the persons or person making it (see note 19 below) and must be received by the Company not later than 6 weeks before the meeting to which the request relates.

Notes continued

17. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (sections 527 to 531), where requested by a member or members meeting the qualification criteria set out at note 18 below, the Company must publish on its website, a statement setting out any matter that such members propose to raise at the meeting relating to the audit of the Company's financial statements (including the auditors' report and the conduct of the audit) that are to be laid before the meeting. Where the Company is required to publish such a statement on its website, it may not require the members making the request to pay any expenses incurred by the Company in complying with the request, it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website, and the statement may be dealt with as part of the business of the meeting. The request may be in hard copy form or in electronic form (see note 19 below), either set out the statement in full, or if supporting a statement sent by another member, clearly identify the statement which is being supported, must be authenticated by the person or persons making it (see note 19 below), and be received by the Company at least one week before the meeting.
18. In order to be able to exercise the members' right to require circulation of a resolution to be proposed at the meeting (see note 15); a matter of business to be dealt with at the meeting (see note 16) or the Company to publish audit concerns (see note 17), the relevant request must be made by a member or members having a right to vote at the meeting and holding at least 5% of total voting rights of the Company, or at least 100 members having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital. For information on voting rights, including the total number of voting rights, see note 12 above and the website referred to in note 21.
19. Where a member or members wishes to request the Company to circulate a resolution to be proposed at the meeting (see note 15), include a matter of business to be dealt with at the meeting (see note 16) or publish audit concerns (see note 17) such request must be made in accordance with one of the following ways: (a) a hard copy request which is signed by you, which states your full name and address and is sent to Ross Matthews, Games Workshop Group PLC, Willow Road, Lenton, Nottingham NG7 2WS; or (b) a request which states your full name and address, and is sent to ross.matthews@gwplc.com. Please state 'AGM' in the subject line of the e-mail.
20. Under section 319A of the Companies Act 2006 the Company must answer any question you ask relating to the business being dealt with at the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, the answer has already been given on a website in the form of an answer to a question or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
21. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from http://investor.games-workshop.com.
22. The following documents will be available for inspection for at least 15 minutes prior to the meeting and during the meeting: (a) copies of the service contracts of executive directors of the Company and (b) copies of the service agreements of the independent directors of the Company.
23. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must (in order to be valid) be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
24. As an alternative to completing a hard copy proxy form, a shareholder can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. Shareholders will need their voting ID, task ID and shareholder reference number (this is the series of numbers printed under their name on the proxy form). Alternatively, if a shareholder has already registered with Equiniti Limited's online portfolio service, Shareview, they can submit a proxy form at www.shareview.co.uk. Full instructions are given on both websites. To be valid, your proxy appointment(s) and instructions should reach Equiniti Limited no later than 48 hours before the time fixed to hold the meeting. Any electronic communication sent by a shareholder to the Company or the registrar that is found to contain a computer virus will not be accepted.
25. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by EQ. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged no later than 48 hours before the time fixed for holding the meeting in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Explanatory notes to the notice of annual general meeting

Resolution 1 - Financial statements
This is a standard resolution common to all annual general meetings.

Resolutions 2 to 7 - Election and re-election of directors

The following directors will stand for re-election in accordance with the UK Corporate Governance Code and the Company's articles of association:

- K D Rountree
- R F Tongue
- E O'Donnell
- J R A Brewis
- K E Marsh
- R Casson

Each of the above directors has indicated their willingness to offer themselves for re-election. The board, having considered the mix of skills, knowledge and experience of the directors confirms that each director continues to perform their duties effectively, showing integrity and high ethical standards whilst maintaining sound, independent judgement in respect of all decisions taken at board level.

Biographical details for each of the directors can be found on pages 19 and 20 of the 2022 annual report.

Resolutions 8 and 9 - Re-appointment of auditors and auditors' remuneration
The Company is required to appoint an auditor at each meeting at which financial statements are presented and PricewaterhouseCoopers LLP have indicated their willingness to continue in office. Accordingly, resolutions 8 and 9, subject to the approval of the shareholders of the Company, re-appoints PricewaterhouseCoopers LLP as auditors of the Company and authorises the directors to determine the remuneration of the auditors.

Resolution 10 - Directors' remuneration
Shareholders will be requested to approve the directors' remuneration report (excluding the directors' remuneration policy) for the financial period ended 29 May 2022.

Resolution 12 - Directors' power to allot relevant securities
Generally, the directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by shareholders.

In line with guidance issued by the Investment Association, if passed, resolution 11 will authorise the directors to allot ordinary shares in the Company (and to grant rights to subscribe for, or to convert any security into, ordinary shares in the Company) in connection with a rights issue only up to an aggregate nominal amount of £541,863 (as reduced by the aggregate nominal amount of any shares allotted or rights granted under resolution 11). This amount (before any reduction) represents approximately 33% of the issued ordinary share capital of the Company as at 21 July 2022, being the last practicable date before the publication of this document. The directors intend to follow emerging best practice as regards the use of this authority, including as to the requirement for directors to stand for re-election.

If given, this authority will expire at the conclusion of the Company's next annual general meeting or 15 months from the passing of the resolution (whichever is earlier). It is the directors' intention to renew the allotment authority each year.

The directors have no current intention to exercise either of the authorities sought under resolution 11. However, the directors consider that it is in the best interests of the Company to have the authorities available so that they have the maximum flexibility permitted by institutional shareholder guidelines to allot shares or grant rights without the need for a general meeting should they determine that it is appropriate to do so to respond to market developments or to take advantage of business opportunities as they arise.

Resolution 13 - Disapplication of pre-emption rights on equity issues for cash
Resolution 12, if passed, would enable the directors to allot shares for cash on a non pre-emptive basis in limited circumstances. It is proposed to authorise the directors to issue shares for cash up to an aggregate nominal amount of £82,101 (which represents approximately 5% of the Company's issued share capital as at 21 July 2022), without having to first offer them to shareholders in proportion to their existing holdings. In addition, in accordance with normal practice, the resolution would enable the board to deal with overseas shareholders and fractional entitlements as it thinks fit in the context of any rights issue or open offer.

If given, this authority will expire at the conclusion of the Company's next annual general meeting or 15 months from the passing of the resolution (whichever is earlier). It is the directors' intention to renew this authority each year.

There are no present plans to exercise this authority.

Resolution 14 - Market purchase of own shares
A company may only purchase its own shares by either an off-market purchase, in pursuance of a contract approved in advance in accordance with section 694 of the Act or by a market purchase, authorised in accordance with section 701 of the Act. A 'market purchase' is one made through a 'recognised investment exchange'. Although the Act only requires an ordinary resolution, LR 12.4.7 of the Listing Rules requires the resolution to be passed as a special resolution (the ABI also recommend that the resolution should be passed as a special resolution). This resolution 13 authorises market purchases of the Company's own shares to be made but only within the limitations specified. In accordance with Investment Association guidelines the maximum number of shares purchased under this authority must not exceed 3,284,020 ordinary shares. The resolution also states the maximum price which may be paid being 5p per ordinary shares and the maximum price being the higher of: (i) an amount equal to 105 per cent of the average market value of an ordinary share in the Company for the five business days prior to the day on which the purchase is made; and (ii) the value of an ordinary share calculated on the basis of the higher of the price quoted for: (a) the last independent trade of; and (b) the highest current independent bid for, any number of the Company's ordinary shares on the trading venue where the purchase is carried out.

As recommended by the Investment Association the Company renews this authority on an annual basis at each annual general meeting.

The directors have no current intention of exercising this authority to purchase the Company's ordinary shares. The Company will only exercise this authority to make such a purchase in the market if the directors consider it is in the best interests of the shareholders generally to do so.

The Company is permitted to hold shares it has purchased in treasury, as an alternative to cancelling them. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy options exercised under any of the Company's share schemes. Whilst held in treasury, the shares are not entitled to receive any dividend or dividend equivalent (apart from any issue of bonus shares) and have no voting rights. The directors believe it is appropriate for the Company to have the option to hold its own shares in treasury if, at a future date, the directors exercise this authority. The directors will have regard to investor group guidelines which may be in force at the time of any such purchase, holding or re-sale of shares held in treasury.

If given, this authority will expire at the conclusion of the Company's next annual general meeting or 15 months after the passing of the resolution (whichever is earlier). It is the directors' intention to renew this authority each year.