

# GAMES WORKSHOP GROUP PLC

9 January 2024

## HALF-YEARLY REPORT

Games Workshop Group PLC ('Games Workshop' or the 'Group') announces its half-yearly results for the 26 week period to 26 November 2023.

### Highlights:

	26 weeks to 26 November 2023	26 weeks to 27 November 2022
Core revenue	<b>£235.6m</b>	£212.3m
Licensing revenue	<b>£12.1m</b>	£14.3m
Revenue	<b>£247.7m</b>	£226.6m
Revenue at constant currency	<b>£254.9m</b>	£226.6m
Core operating profit	<b>£83.4m</b>	£70.7m
Core operating profit at constant currency	<b>£87.8m</b>	£70.7m
Licensing operating profit	<b>£11.1m</b>	£12.9m
Licensing operating profit at constant currency	<b>£11.5m</b>	£12.9m
Operating profit	<b>£94.5m</b>	£83.6m
Profit before taxation	<b>£95.2m</b>	£83.6m
Net increase in cash - pre-dividends paid	<b>£85.3m</b>	£68.1m
Earnings per share	<b>216.9p</b>	202.4p
Dividends per share declared and paid in the period	<b>195p</b>	165p

Kevin Rountree, CEO of Games Workshop, said:

"Games Workshop and the Warhammer hobby are in great shape. We continue to perform well during challenging economic times, delivering record group revenue, profit and dividends in the period. Morale is good at Games Workshop and our hobbyists are having fun too."

### For further information, please contact:

**Games Workshop Group PLC**

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General website

[investor.games-workshop.com](http://investor.games-workshop.com)

[www.warhammer.com](http://www.warhammer.com)

See the glossary on page 20 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.

This announcement contains inside information for the purposes of the Market Abuse Regulation (EU) no. 596/2014 (including as it forms part of the laws of England and Wales by virtue of the European Union (Withdrawal) Act 2018) ('MAR'). Upon the publication of this announcement, such information will no longer constitute inside information. Ross Matthews, the Company's General Counsel and Company Secretary, is the person responsible for making the notification for the purposes of Article 17 of MAR.

## FIRST HALF HIGHLIGHTS

26 weeks to 26 November 2023 and 27 November 2022:

### Revenue and operating profit at actual rates

	Core		Licensing		Total	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Trade	136.1	120.9	-	-	136.1	120.9
Retail	54.7	48.7	-	-	54.7	48.7
Online	44.8	42.7	-	-	44.8	42.7
Licensing	-	-	12.1	14.3	12.1	14.3
<b>Revenue</b>	<b>235.6</b>	<b>212.3</b>	<b>12.1</b>	<b>14.3</b>	<b>247.7</b>	<b>226.6</b>
Cost of sales	(72.1)	(76.0)	-	-	(72.1)	(76.0)
<b>Gross profit</b>	<b>163.5</b>	<b>136.3</b>	<b>12.1</b>	<b>14.3</b>	<b>175.6</b>	<b>150.6</b>
Operating expenses	(80.1)	(65.6)	(1.0)	(1.4)	81.1	(67.0)
<b>Operating profit</b>	<b>83.4</b>	<b>70.7</b>	<b>11.1</b>	<b>12.9</b>	<b>94.5</b>	<b>83.6</b>

### Revenue and operating profit at constant currency

	Core		Licensing		Total	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Trade	140.3	120.9	-	-	140.3	120.9
Retail	56.5	48.7	-	-	56.5	48.7
Online	45.6	42.7	-	-	45.6	42.7
Licensing	-	-	12.5	14.3	12.5	14.3
<b>Revenue</b>	<b>242.4</b>	<b>212.3</b>	<b>12.5</b>	<b>14.3</b>	<b>254.9</b>	<b>226.6</b>
Cost of sales	(73.0)	(76.0)	-	-	(73.0)	(76.0)
<b>Gross profit</b>	<b>169.4</b>	<b>136.3</b>	<b>12.5</b>	<b>14.3</b>	<b>181.9</b>	<b>150.6</b>
Operating expenses	(81.6)	(65.6)	(1.0)	(1.4)	(82.6)	(67.0)
<b>Operating profit</b>	<b>87.8</b>	<b>70.7</b>	<b>11.5</b>	<b>12.9</b>	<b>99.3</b>	<b>83.6</b>

### Foreign exchange rates

Our currency exposures are the euro and US dollar:

	euro		US dollar	
	2023	2022	2023	2022
Rate used for the balance sheet at the period end	1.15	1.16	1.26	1.21
Average rate used for earnings	1.16	1.17	1.25	1.18

## INTERIM MANAGEMENT REPORT

Games Workshop and the Warhammer hobby are in great shape.

### Strategy

We have remained focused on delivering our strategic goal - 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.

This relentless focus from all in our vertically integrated business, continues to deliver record results. We continue to work tirelessly as a team to ensure we deliver our operational plans, surprising and delighting our fans.

It's worth noting that we have increased our cash buffer in the period to £75 million in line with the current three month cash cost of running Games Workshop - on a *rainy day* we'd prefer to be able to look after ourselves. Our job is to run the business under all scenarios.

Licensing - we own what we believe is some of the best under exploited intellectual property ('IP') globally. In the period reported, we have continued to patiently seek partners that can help us fulfil this potential. We will continue to grant licences to carefully chosen partners that respect the need for us to have complete ownership of our unique IP, to ensure no harm is done to the core business: a key risk we highlight every year. We will ensure we do everything we can to make the day to day IP approval process seamless. This process now rests within our Warhammer Studio; with the experts who understand our ambitions and have the IP knowledge.

### Update

A solid six month period, successfully delivering the plans we set ourselves at the start of the year; with core revenue growth in all channels and in all major countries. We have improved our core gross margin and managed our operating expenses well, only allowing essential investments. These record results are driven by the launch of a significant number of new products across all of our IPs and the ongoing performance of products we launched in previous periods. We have delivered sales growth at constant currency rates, every month in line with our ambitious plan. Our June 2023 sales performance set a new benchmark for sales in one month driven by sales of our new Warhammer 40,000 core set.

We have made significant progress on our other strategic priorities including, as promised, a reduction in our carbon footprint; we are ahead of the milestones presented in the 2023 annual report. It's worth noting that we don't need to incentivise our great staff at Games Workshop with bonuses to do this – they believe it's the right thing to do. It's on all job specs as part of the day job, including my own.

Our staff and their team efforts are critical to our ongoing success. We thank them all for their ongoing support and their focus on delivering their department's goals. We also thank some of them for their resilience – our ongoing IT integration projects can at times test anyone's patience. Removing 20 year old legacy systems, launching a new online store and maintaining service levels as we deliver the highest volumes ever at our East Midlands Gateway ('EMG') warehouse, was never going to be easy. I am very proud of the team's efforts to date. We thank our impacted customers (less than 5%) for their significant patience too.

We've not had many people retire from Games Workshop. During the period, John Blanche stepped down from his job as art director in our design studio. He is a creative genius, and we thank him for sharing his enormous talents and enthusiasm with us for nearly 40 years. We all wish him well. He leaves us with a well invested and talented Warhammer Studio.

Also, after 27 years with the Group and nine years on the board, Rachel Tongue has informed the board that she does not propose to offer herself for re-election as chief financial officer at the next AGM in September 2024. Rachel will continue in her role, working as an integral part of my team to ensure a smooth transfer of responsibilities to her successor. Rachel is amazing and she will be missed enormously.

We thank Rachel for championing our business model and our culture, her incredible hard work and dedication and her endless commitment to ensuring we continue to improve every year. She has played a huge part in helping to deliver our ongoing success, we all wish her well for the future.

Rachel will step down from the board at the 2024 AGM and will leave the Group in January 2025. We will be commencing a search for her successor immediately.

## Performance

Sales for the month of December are in line with our expectations.

At actual exchange rates:

- Core revenue growth - revenue growth (+11.0%) continues across Retail (+12.3%) and Trade (+12.6%) and Online (+4.9%).
- Core gross margin has increased from 64.2% to 69.4%, mainly due to a reduction of inventory provision charges and a reduction in carriage costs.

	%
Gross margin at November 2022	64.2
Inventory provision	+2.2
Logistics	+2.1
Materials	+0.5
Design	+0.3
Production and other	-0.1
Gross margin before animation	69.2
Animation	+0.2
<b>Gross margin at November 2023</b>	<b>69.4</b>

- Core operating expenses - up £14.5 million to £80.1 million.

	£m
Core operating expenses at November 2022	65.6
Staff costs	+4.3
Group Profit Share Scheme	+3.0
Major project expenditure	+3.8
IT and software support expenses	+0.8
Other	+2.6
<b>Core operating expenses at November 2023</b>	<b>80.1</b>

- Core operating profit - up £12.7 million to £83.4 million and profit to sales ratio is up 2.1% to 35.4%.
- Major projects - to date £4.3 million of operating expenses (2022/23: £4.5 million; £4.0 million of capital investment and £0.5 million of operating expenses) spent on projects in the first half, including investment in the new webstore.
- Returns to shareholders - we have declared £64.2 million in dividends during the period (2022/23: £54.2 million).
- Foreign exchange differences - we don't actively manage foreign exchange rates and we will continue to report the impact on our results.

Cash generation - we have continued to:

- Maintain an appropriate balance sheet to ensure we can withstand any short-term setbacks.
- Provide for the safe ongoing operation of our global business in an ethical way.
- Fund our own growth - reinvest to grow sustainably and deliver our strategy.
- Pay regular dividends to our shareholders - we return any 'truly surplus' cash as dividends as and when we have excess cash.
- Cash generated from operations - £116.9 million (2022/23: £104.7 million). Included within this are working capital movements relating to an increase in inventory purchases of £4.4 million (higher volumes) and an increase in trade and other receivables of £7.4 million (correlated to higher trade sales and digital income). There was also an increase in advance payments by trade and online customers of £6.7 million. The advance payments relate to made to order products and a recent change in the preorder window for new release products. These orders will have been taken and paid for but not yet despatched and so not yet recognised as revenue.

	£m
Cash and cash equivalents at May 2023	90.2
Cash generated from operations	+116.9
Share issue and interest income	+3.6
Lease payments	-6.3
Product development	-7.0
Purchase of capital assets	-6.6
Tax paid	-15.3
Dividends paid	-64.2
<b>Cash and cash equivalents at November 2023</b>	<b>111.3</b>

We are not planning any share buybacks or acquisitions.

## Review of the period

### Revenue

#### *Core revenue*

Reported core revenue grew by 11.0% to £235.6 million for the period. On a constant currency basis, sales were up by 14.2% to £242.4 million; split by channel this comprised: Trade £140.3 million (2022/23: £120.9 million), Retail £56.5 million (2022/23: £48.7 million) and Online £45.6 million (2022/23: £42.7 million).

#### *Trade*

Trade grew by 12.6% at actual rates, 16.0% at constant currency rates. The bulk of our sales to independent retailers are made via our telesales teams talking directly to our trade accounts. Our telesales teams strive to deliver excellent service from their locations in Memphis, Nottingham, Barcelona, Sydney, Tokyo, Shanghai, Singapore, Hong Kong, and Kuala Lumpur. In the period, our net number of trade outlets globally increased by c.500 accounts to c.7,000 (not including 2,000+ major chain outlets stocking some key recruitment products).

Organic sales growth, particularly geographical spread in our smaller export countries, is an area of focus in the period ahead. The Warhammer hobby continues to spread globally.

It's worth noting that a large number of independent retailers also sell our products online, meaning our customers have more choice than ever about where to buy Warhammer. It's also worth reminding you that our success with our independents is not completely in our control. The viability of these stores is completely dependent on the store owner and their choices on what to sell. Most are reliant on a mix of product lines to maintain that viability e.g. collectible cards and board games.

#### *Retail*

Retail grew by 12.3% at actual rates, 16.0% at constant currency rates. Our stores have performed well during the period, with 81% of our stores delivering like for like growth in the reported period. The UK is recording record sales levels, including both Warhammer World at our Nottingham HQ and our UK high footfall store on Tottenham Court Road in London. North America retail is also at record sales levels: our new structure, which includes four new territory managers, has been implemented well. Retail thrives when we all help our store managers deliver a consistent performance, these results highlight how well the teams are working together. Globally we opened, including relocations, 14 stores (our plan is c.30 new stores for the full year). After closing five stores, our net total number of stores at the end of the period is 535.

#### *Online*

Online grew by 4.9% at actual rates, 6.8% at constant currency rates. In October we launched our new online store, there were some teething issues but no showstoppers, once again a great team effort from the staff involved. We have spent £10.8 million on this new online solution; we don't expect any significant additional investment in the years ahead.

We remain focused on joined-up customer experiences across all core sales channels.

#### *Licensing revenue*

Licensing revenue from royalty income decreased in the period by £2.2 million to £12.1 million (at constant currency, a decrease of £1.8 million to £12.5 million). This was partly due to a reduction of £1.1 million in guarantee income on multi-year contracts signed in the period. Guarantee income in the period was £6.2 million (2022/23: £7.3 million). This income was recognised in full at the inception of the contracts following assessment of the performance obligations of the contracts. Reported income is split as follows: 47% PC and console games, 33% mobile and 20% other.

#### *Total revenue*

Total revenue has increased by 9.3% to £247.7 million at actual rates, at constant currency total revenue increased by 12.4%.

## **Design**

We design, make, and sell miniatures and related products under a number of brands and sub-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' - this unites all aspects of the Warhammer hobby - collecting, building, painting, playing, reading, watching, gaming etc. in the worlds of Warhammer.

We have two main universes/settings - our dark, gritty fantasy sci-fi universe, which encompasses 'Warhammer 40,000', 'Warhammer The Horus Heresy' and 'Necromunda', and our unique fantasy setting that includes 'Warhammer Age of Sigmar', 'Blood Bowl' (albeit a tongue in cheek parody) and, the soon to be released, 'Warhammer The Old World'.

IP and design studio payroll costs increased by £1.0 million to £8.5 million in the period; as a percentage of core revenue they have increased by 0.1% to 3.6%. The total number of jobs in our Warhammer Studio is 310.

## **Manufacturing**

We continue to manufacture all of our core products at our three factories in Nottingham. Work on improving efficiencies has negated the need for the purchase of any additional manufacturing equipment during the period and allowed numerous manufacturing output records to be broken. As part of our longer term capacity planning, we are exploring options for Factory 4 on the site next to Factory 2.

Our total manufacturing headcount has increased slightly during the period with the total number of jobs in our factories now standing at 361. An increase in temporary staff cost and the annual pay rise has increased manufacturing payroll costs by £0.7 million to £6.0 million; 2.5% of core revenue in both periods.

## **Warehousing**

### *UK*

Project work on our new warehouse management solution at our EMG location has been completed with the site now processing all UK and European customer orders (across all sales channels) as well as international freight to our global hubs. As highlighted earlier there are still some systems integration problems to resolve as part of replacing our core, 20 years old, legacy systems that the new warehouse management system interfaces to. This project internally is called SIP (Systems Improvement Programme). We don't expect to be fully optimised until this programme of work is delivered nor do we expect this to impact sales significantly; it may cause service levels to fall short at times for some customers. We will do everything we can to minimise this impact.

The original Eurohub warehouse at our HQ in Nottingham has now been reconfigured to serve as our dedicated component warehouse supplying our three factories. It's working well, to agreed KPIs and milestones.

### *North America*

Additional robotics have been purchased (increasing from 45 to 70 robots) to further increase pick capacity. IT systems here are less complex than those at EMG (although both warehouses are using the same technology and robotics solutions), and they are meeting agreed KPIs and milestones.

### *Australia*

In October we signed an eight year lease for a new facility in Australia, not far from our current site, which after over 20 years was no longer big enough. The new site is planned to be operational in April 2025.

### *Europe*

We continue to review options for improving service levels to Continental Europe.

Total warehousing costs have increased by £0.9 million to £12.9 million at actual rates; as a percentage of core revenue they have decreased from 5.7% to 5.5%.

### *Service centres*

IT - The team is starting to make some progress. The launch of our new web store was a key morale boosting milestone for them, and me too. The goal remains the same: our IT systems and infrastructure adapt and scale with the business as we grow. We will continue to invest in the team in the period ahead. In early 2024 I hope to sign off, with full board support, the SIP project highlighting the IT investment plan for the next two/three years. More on that in the 2024 annual report.

Customer service - We aim to resolve all queries within 24 hours, however, due to the exceptional volume of queries associated with the launches of our new webstore and warehouse management system, we have not achieved the high levels we set ourselves. The current average is three days.

Total support services operating expenses, excluding marketing costs, have increased by £2.5 million to £15.9 million at actual rates; as a percentage of core revenue they have increased from 6.3% to 6.7% in line with our operational plan.

### **Customer focused**

#### Our stores

The staff in our retail stores work cheerfully and relentlessly to offer great customer service and recruit ever more customers into the Warhammer hobby. Our stores continue to be the best place to start your hobby journey with us.

#### My Warhammer

Registrations for this single login continue to grow at pace and we have 576,000 active users at the period end (2022/23: 346,000) up 66% on prior year. Active users are defined as someone who has engaged with us online in the last six months. My Warhammer is a central part of our customer journey, enabling us to tailor our marketing communications to what our customers are most interested in.

#### Warhammer Community

Our news and blog site continues to go from strength to strength. We have seen good growth in the number of hobbyists enjoying our articles and news stories. Warhammer Community is the hub for our marketing activities and plays a vital role in delivering hobby news and information every day of the year.

#### Email

Our email campaigns continue to be one of our most effective methods of communication. Subscriber numbers, (defined as the number of people who opened one of our emails in the last six months) were 570,000 (2022/23: 476,000) at the period end. We continue to look for more ways to surprise and delight our loyal fans and bring new customers into the Warhammer hobby.

#### Warhammer+

Launched in August 2021, it continues to delight and entertain a growing subscriber base. Our subscriber numbers are 169,000 at the period end (2022/23: 115,000).

#### External events/social media

Warhammer events and gaming conventions engaged with customers and recruited new ones across North America and Europe. We look forward to more events that inspire our customers, recruit new ones, and give Warhammer fans across the world the opportunity to meet up with each other. Social media has an important role in making customers aware of the breadth of the Warhammer hobby, as well as the products we sell.

Total marketing operating expenses have increased by £1.7 million to £4.2 million; as a percentage of core sales they have increased from 1.2% to 1.8% in line with our operational plan.

### **Capital investment**

In manufacturing, we have invested £3.8 million in tooling and £0.6 million in facilities and equipment. We have invested £0.6 million on shop fits in new and existing stores and £0.4 million on the Lenton site as well as £0.8 million in warehouse facilities, racking, IT systems and computer equipment.

## **Licensing business**

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:

### *Media*

As we announced on 18 December 2023, we have signed a contract with Amazon Content Services LLC for the prospective development by Amazon of Warhammer 40,000 universe into films and television series. We remain confident we will bring the worlds of Warhammer to the screen like you have never seen before.

Games Workshop and Amazon will work together for a period of 12 months to agree creative guidelines for the films and television series to be developed by Amazon. The agreement will only proceed once the creative guidelines are mutually agreed between Games Workshop and Amazon.

### *Video games*

During the period, our licensing partners launched two new video games; Warhammer Age of Sigmar: Realms of Ruin, a real time strategy PC/console game and Warhammer 40,000: Warpforge, a collectible card PC/mobile game. We also saw revenue from established games Darktide, Tacticus and Total War: Warhammer 3 that continued to perform well, often years after launch, through a mixture of added content and continued marketing. Licensing income during the period is down; it is, as usual, driven by the success of game launches and the levels of guarantees booked in the period.

## **Risks and uncertainties**

The board has overall responsibility for ensuring risk is appropriately managed across the Group. Our operational risks, including emerging risks, are identified, and monitored through discussions at regular risks meetings of the senior management team. These meetings are coordinated by the internal audit function and assess the impact of each operational risk as well as identifying new emerging risks and mitigating actions required.

The key strategic risks to the Group are regularly reviewed by the board. The principal strategic risks identified in 2023/24 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. We expect to need to spend more money investing in our systems as we continue our upgrades to our legacy platforms.
- 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. The operational board meets quarterly to review progress and current status of all licensing projects.

## **Going concern**

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources, in light of the level of cash generation, to continue in operational existence for at least twelve months from the date of approval of the condensed consolidated interim financial information. For this reason, they have adopted the going concern basis in preparing this condensed consolidated interim financial information.

## **Statement of directors' responsibilities**

The directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the United Kingdom, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 R and DTR 4.2.8 R, namely: an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of (i) the principal risks and uncertainties for the remaining six months of the financial period; (ii) related party transactions in the first six months and (iii) any changes in the related party transactions described in the last annual report.

There have been no changes to the board since the annual report for the 52 week period to 28 May 2023.

A list of all current directors is maintained on the investor relations website at [investor.games-workshop.com](http://investor.games-workshop.com).

## **Key priorities**

We have made some good 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.

### *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 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 including offering apprenticeship opportunities for on the job training. We are also more active in developing orderly succession plans of both the board and senior management.

### *Customer focused*

We continue to be customer focused - engaging better with our existing customers and reaching new audiences with the Warhammer hobby.

In Asia, our Warhammer cafe store in Tokyo recently celebrated its first year anniversary - it was great fun, we are delighted with the store and the progress we are making here. We continue to build our hobby base in Japan and also China, and it's good to see sales levels are now back to record levels.

Globally we are seeing encouraging performance from our distribution and trade partners in growing emerging markets: sales to Mexico, Thailand and closer to home in Switzerland, are at record levels. It would be great to see some Warhammer stores in these locations too...

### *Social responsibility*

We have a clear plan and agreed priorities. We have recently refreshed our equal opportunities training and our global unconscious bias training. We continue in our commitment to diversity and inclusion at Games Workshop. We have recently asked staff to allow us to collect their ethnicity information, with which over time we will be able to track trends.

### *Sustainability - climate change*

We have made significant progress towards our scope 1 and 2 carbon emissions reduction target. We have switched our Memphis warehouse electricity supply to a certified renewable source and are working to secure renewables for our North American and European retail stores in the rest of this year. We remain focused on minimising energy usage and material resources, and with processing any unavoidable waste sustainably. We are on track to achieve our stated 55% reduction in scope 1 and 2 CO<sup>2</sup> emissions significantly ahead of our 2032 target, a detailed update on progress will be given in the 2024 annual report.

## **Outlook**

We continue to perform well during challenging economic times, delivering record group revenue, profit and dividends in the period. Morale is good at Games Workshop and our hobbyists are having fun too.

By order of the board

**Kevin Rountree**

CEO

**Rachel Tongue**

CFO

9 January 2024

## CONSOLIDATED INCOME STATEMENT

	Notes	26 weeks to 26 November 2023 £m	26 weeks to 27 November 2022 £m	52 weeks to 28 May 2023 £m
Core revenue		235.6	212.3	445.4
Licensing revenue		12.1	14.3	25.4
<b>Revenue</b>	2	<b>247.7</b>	226.6	470.8
Cost of sales		(72.1)	(76.0)	(149.2)
<i>Core gross profit</i>		<b>163.5</b>	136.3	296.2
<i>Licensing gross profit</i>		<b>12.1</b>	14.3	25.4
<b>Gross profit</b>		<b>175.6</b>	150.6	321.6
Operating expenses	2	(81.1)	(67.0)	(151.4)
<i>Core operating profit</i>		<b>83.4</b>	70.7	148.2
<i>Licensing operating profit</i>		<b>11.1</b>	12.9	22.0
<b>Operating profit</b>	2	<b>94.5</b>	83.6	170.2
Finance income		1.2	0.4	1.3
Finance costs		(0.5)	(0.4)	(0.9)
<b>Profit before taxation</b>	3	<b>95.2</b>	83.6	170.6
Income tax expense	4	(23.8)	(17.1)	(35.9)
<b>Profit attributable to owners of the parent</b>		<b>71.4</b>	66.5	134.7
Basic earnings per ordinary share	5	<b>216.9p</b>	202.4p	409.7p
Diluted earnings per ordinary share	5	<b>216.3p</b>	202.3p	409.4p

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

	26 weeks to 26 November 2023 £m	26 weeks to 27 November 2022 £m	52 weeks to 28 May 2023 £m
<b>Profit attributable to owners of the parent</b>	<b>71.4</b>	66.5	134.7
<b>Other comprehensive income/(expense)</b>			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	(0.1)	0.6	(1.5)
<b>Other comprehensive (expense)/income for the period</b>	<b>(0.1)</b>	0.6	(1.5)
<b>Total comprehensive income attributable to owners of the parent</b>	<b>71.3</b>	67.1	133.2

## CONSOLIDATED BALANCE SHEET

	Notes	26 November 2023 £m	27 November 2022 £m	28 May 2023 £m
<b>Non-current assets</b>				
Goodwill		1.4	1.4	1.4
Other intangible assets	8	22.9	26.8	21.2
Property, plant and equipment	9	54.8	55.0	55.7
Right-of-use assets	10	47.5	48.4	48.9
Deferred tax assets		12.5	18.5	12.0
Other non-current receivables	11	16.0	16.4	13.6
		<b>155.1</b>	<b>166.5</b>	<b>152.8</b>
<b>Current assets</b>				
Inventories		36.3	31.8	33.0
Trade and other receivables	12	41.4	52.7	36.3
Current tax assets		5.3	4.3	14.5
Cash and cash equivalents		111.3	85.2	90.2
		<b>194.3</b>	<b>174.0</b>	<b>174.0</b>
<b>Total assets</b>		<b>349.4</b>	<b>340.5</b>	<b>326.8</b>
<b>Current liabilities</b>				
Lease liabilities		(10.0)	(9.7)	(9.9)
Trade and other payables	13	(50.6)	(37.0)	(37.0)
Current tax liabilities		(0.1)	(0.1)	(0.4)
Provisions for other liabilities and charges		(0.8)	(0.9)	(0.9)
		<b>(61.5)</b>	<b>(47.7)</b>	<b>(48.2)</b>
<b>Net current assets</b>		<b>132.8</b>	<b>126.3</b>	<b>125.8</b>
<b>Non-current liabilities</b>				
Lease liabilities		(38.6)	(39.8)	(40.0)
Deferred tax liabilities		(1.4)	(0.4)	(0.5)
Other non-current liabilities		(0.7)	(0.5)	(1.4)
Provisions for other liabilities and charges		(1.7)	(1.7)	(1.6)
		<b>(42.4)</b>	<b>(42.4)</b>	<b>(43.5)</b>
<b>Net assets</b>		<b>245.5</b>	<b>250.4</b>	<b>235.1</b>
<b>Capital and reserves</b>				
Called up share capital		1.6	1.6	1.6
Share premium account		21.3	18.6	18.9
Other reserves		1.3	3.5	1.4
Retained earnings		221.3	226.7	213.2
<b>Total equity</b>		<b>245.5</b>	<b>250.4</b>	<b>235.1</b>

## CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Called up share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
At 28 May 2023 and 29 May 2023	1.6	18.9	1.4	213.2	235.1
Profit for the 26 weeks to 26 November 2023	-	-	-	71.4	71.4
Exchange differences on translation of foreign operations	-	-	(0.1)	-	(0.1)
<b>Total comprehensive income for the period</b>	-	-	<b>(0.1)</b>	<b>71.4</b>	<b>71.3</b>
Transactions with owners:					
Share-based payments	-	-	-	0.7	0.7
Shares issued under employee sharesave scheme	-	2.4	-	-	2.4
Deferred tax credit relating to share options	-	-	-	0.2	0.2
Dividends paid to Company shareholders	-	-	-	(64.2)	(64.2)
<b>Total transactions with owners</b>	-	<b>2.4</b>	-	<b>(63.3)</b>	<b>(60.9)</b>
<b>At 26 November 2023</b>	<b>1.6</b>	<b>21.3</b>	<b>1.3</b>	<b>221.3</b>	<b>245.5</b>

	Called up share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
At 29 May 2022 and 30 May 2022	1.6	16.3	2.9	213.9	234.7
Profit for the 26 weeks to 27 November 2022	-	-	-	66.5	66.5
Exchange differences on translation of foreign operations	-	-	0.6	-	0.6
Total comprehensive income for the period	-	-	0.6	66.5	67.1
Transactions with owners:					
Share-based payments	-	-	-	0.5	0.5
Shares issued under employee sharesave scheme	-	2.3	-	-	2.3
Deferred tax charge relating to share options	-	-	-	(0.2)	(0.2)
Current tax credit relating to exercised share options	-	-	-	0.2	0.2
Dividends paid to Company shareholders	-	-	-	(54.2)	(54.2)
Total transactions with owners	-	2.3	-	(53.7)	(51.3)
At 27 November 2022	1.6	18.6	3.5	226.7	250.4

	Called up share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
At 29 May 2022 and 30 May 2022	1.6	16.3	2.9	213.9	234.7
Profit for the 52 weeks to 28 May 2023	-	-	-	134.7	134.7
Exchange differences on translation of foreign operations	-	-	(1.5)	-	(1.5)
Total comprehensive income for the period	-	-	(1.5)	134.7	133.2
Transactions with owners:					
Share-based payments	-	-	-	1.0	1.0
Shares issued under employee sharesave scheme	-	2.6	-	-	2.6
Deferred tax charge relating to share options	-	-	-	(0.2)	(0.2)
Current tax credit relating to exercised share options	-	-	-	0.3	0.3
Dividends paid to Company shareholders	-	-	-	(136.5)	(136.5)
Total transactions with owners	-	2.6	-	(135.4)	(132.8)
At 28 May 2023	1.6	18.9	1.4	213.2	235.1

## CONSOLIDATED CASH FLOW STATEMENT

	Notes	26 weeks to 26 November 2023 £m	26 weeks to 27 November 2022 £m	52 weeks to 28 May 2023 £m
<b>Cash flows from operating activities</b>				
Cash generated from operations	7	116.9	104.7	231.7
UK corporation tax paid		(14.6)	(14.6)	(31.3)
Overseas tax paid		(0.7)	(3.7)	(7.7)
<b>Net cash generated from operating activities</b>		<b>101.6</b>	<b>86.4</b>	<b>192.7</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment		(6.4)	(7.4)	(14.8)
Purchases of other intangible assets		(0.2)	(0.4)	(0.4)
Expenditure on product development		(7.0)	(7.0)	(13.1)
Interest received		1.2	0.4	1.2
<b>Net cash used in investing activities</b>		<b>(12.4)</b>	<b>(14.4)</b>	<b>(27.1)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of ordinary share capital		2.4	2.3	2.6
Repayment of principal under leases		(5.8)	(5.8)	(11.8)
Lease interest paid		(0.5)	(0.4)	(0.9)
Dividends paid to Company shareholders		(64.2)	(54.2)	(136.5)
<b>Net cash used in financing activities</b>		<b>(68.1)</b>	<b>(58.1)</b>	<b>(146.6)</b>
<b>Net increase in cash and cash equivalents</b>		<b>21.1</b>	<b>13.9</b>	<b>19.0</b>
Opening cash and cash equivalents		90.2	71.4	71.4
Effects of foreign exchange rates on cash and cash equivalents		-	(0.1)	(0.2)
<b>Closing cash and cash equivalents</b>		<b>111.3</b>	<b>85.2</b>	<b>90.2</b>

The following notes form an integral part of this condensed consolidated interim financial information.

# NOTES TO THE FINANCIAL INFORMATION

## 1. Basis of preparation

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

The Company has its listing on the London Stock Exchange.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the 52 week period ended 28 May 2023 were approved by the board of directors on 24 July 2023 and have been delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under either section 498 (2) or section 498 (3) of the Companies Act 2006.

This condensed consolidated interim financial information has not been audited or reviewed pursuant to the Auditing Practices Board guidance on 'Review of Interim Financial Information' and does not include all of the information required for full annual financial statements.

This condensed consolidated interim financial information for the 26 week period ended 26 November 2023 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim Financial Reporting' as adopted by the United Kingdom. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the 52 week period ended 28 May 2023 which have been prepared in accordance with IFRSs as adopted by the United Kingdom.

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing this condensed consolidated interim financial information.

This condensed consolidated interim financial information was approved for issue on 9 January 2024.

This condensed consolidated interim financial information is available to shareholders and members of the public on the Company's website at [investor.games-workshop.com](http://investor.games-workshop.com).

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the 52 week period ended 28 May 2023.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The accounting policies applied are consistent with those of the annual financial statements for the 52 week period ended 28 May 2023, as described in those financial statements.

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.

## 2. Segment information

As Games Workshop is a vertically integrated business, management assesses the performance of sales channels and manufacturing and distribution channels separately. Share-based payment charges and Group Profit Share Scheme charges to employees have all been included in core operating expenses.

At 26 November 2023. Games Workshop has two segments, core and licensing:

- Core: the core segment includes all revenue and expenditure relating to the design, manufacture and sales of our fantasy miniatures and related products. It also includes the revenue and expenditure related to Warhammer+.
- Licensing: the licensing segment includes all revenue and expenditure relating to licences granted to external partners.

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 Warhammer Studio (which 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; and
- 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.

The segment information reported to the executive directors for the periods included in this financial information is as follows:

26 weeks to 26 November 2023 and 27 November 2022:

	Core		Licensing		Total	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Trade	136.1	120.9	-	-	136.1	120.9
Retail	54.7	48.7	-	-	54.7	48.7
Online	44.8	42.7	-	-	44.8	42.7
Licensing	-	-	12.1	14.3	12.1	14.3
<b>Revenue</b>	<b>235.6</b>	<b>212.3</b>	<b>12.1</b>	<b>14.3</b>	<b>247.7</b>	<b>226.6</b>
Cost of sales	(72.1)	(76.0)	-	-	(72.1)	(76.0)
<b>Gross profit</b>	<b>163.5</b>	<b>136.3</b>	<b>12.1</b>	<b>14.3</b>	<b>175.6</b>	<b>150.6</b>
Trade	(6.5)	(5.6)	-	-	(6.5)	(5.6)
Retail	(32.8)	(30.1)	-	-	(32.8)	(30.1)
Online	(6.8)	(5.0)	-	-	(6.8)	(5.0)
Design, manufacturing, logistics and operations	(24.0)	(18.0)	-	-	(24.0)	(18.0)
Licensing	-	-	(1.0)	(1.4)	(1.0)	(1.4)
Group	(1.8)	(1.9)	-	-	(1.8)	(1.9)
Share-based payment charge	(0.7)	(0.5)	-	-	(0.7)	(0.5)
Group Profit Share Scheme	(7.5)	(4.5)	-	-	(7.5)	(4.5)
<b>Operating expenses</b>	<b>(80.1)</b>	<b>(65.6)</b>	<b>(1.0)</b>	<b>(1.4)</b>	<b>(81.1)</b>	<b>(67.0)</b>
<b>Operating profit</b>	<b>83.4</b>	<b>70.7</b>	<b>11.1</b>	<b>12.9</b>	<b>94.5</b>	<b>83.6</b>
Finance income	1.2	0.4	-	-	1.2	0.4
Finance costs	(0.5)	(0.4)	-	-	(0.5)	(0.4)
<b>Profit before tax</b>	<b>84.1</b>	<b>70.7</b>	<b>11.1</b>	<b>12.9</b>	<b>95.2</b>	<b>83.6</b>

## 2. Segment information continued

52 weeks to 28 May 2023:

	Core £m	Licensing £m	Total £m
Trade	248.0	-	248.0
Retail	106.4	-	106.4
Online	91.0	-	91.0
Licensing	-	25.4	25.4
Revenue	445.4	25.4	470.8
Cost of sales	(149.2)	-	(149.2)
Gross profit	296.2	25.4	321.6
Trade	(11.8)	-	(11.8)
Retail	(61.7)	-	(61.7)
Online	(15.6)	-	(15.6)
Design, manufacturing, logistics and operations	(41.4)	-	(41.4)
Licensing	-	(3.4)	(3.4)
Group	(4.9)	-	(4.9)
Share-based payment charge	(1.0)	-	(1.0)
Group Profit Share Scheme	(11.6)	-	(11.6)
Operating expenses	(148.0)	(3.4)	(151.4)
Operating profit	148.2	22.0	170.2
Finance income	1.3	-	1.3
Finance costs	(0.9)	-	(0.9)
Profit before tax	148.6	22.0	170.6

For information, we analyse core external revenue further below:

	26 weeks to 26 November 2023 £m	26 weeks to 27 November 2022 £m	52 weeks to 28 May 2023 £m
<b>Trade</b>			
UK and Continental Europe	58.0	50.9	105.0
North America	59.3	55.6	112.8
Australia and New Zealand	8.1	7.5	14.3
Asia	7.3	4.5	10.4
Rest of world	2.2	1.5	3.4
Black Library	1.2	0.9	2.1
<b>Total Trade</b>	<b>136.1</b>	<b>120.9</b>	<b>248.0</b>
<b>Retail</b>			
UK	16.3	14.4	32.1
Continental Europe	11.0	9.7	21.1
North America	21.6	18.9	41.0
Australia and New Zealand	4.2	4.7	9.4
Asia	1.6	1.0	2.8
<b>Total Retail</b>	<b>54.7</b>	<b>48.7</b>	<b>106.4</b>
<b>Online</b>			
UK	8.7	7.0	16.2
Continental Europe	7.1	7.2	15.6
North America	16.3	17.1	35.7
Australia and New Zealand	2.1	2.3	4.1
Asia	0.3	0.2	0.6
Rest of world	0.4	0.5	1.0
Digital	9.9	8.4	17.8
<b>Total Online</b>	<b>44.8</b>	<b>42.7</b>	<b>91.0</b>
<b>Total core external revenue</b>	<b>235.6</b>	<b>212.3</b>	<b>445.4</b>

### 3. Profit before taxation

	26 weeks to 26 November 2023	26 weeks to 27 November 2022	52 weeks to 28 May 2023
	£m	£m	£m
Profit before taxation is stated after charging:			
Depreciation:			
- Owned property, plant and equipment	7.0	6.8	13.7
- Right-of-use assets	5.9	5.9	11.9
Amortisation:			
- Owned computer software	0.8	0.8	1.8
- Development costs	4.7	5.4	12.1
Impairment of computer software	-	-	0.7
Impairment of development costs	-	-	2.9
Employee and agency staff costs (excluding capitalised salary costs)	62.8	54.3	115.8
Cost of inventories included in cost of sales	29.5	30.8	56.0
Inventory provision creation	2.3	4.2	8.0
Unrealised and realised exchange losses/(gains)	0.3	(0.1)	0.2
Loss on disposal of intangible assets	-	-	0.2
Redundancy costs and compensation for loss of office	0.3	0.4	1.1

### 4. Tax

The taxation charge for the six months to 26 November 2023 is based on an estimate of the full year effective rate of 25.0% (2022/23: 20.5%). As the UK and overseas tax rates are now more closely aligned, the impact of any higher overseas rates is minimal. The increase from the prior year reflects the rate increase to 25% on UK taxable profits from 1 April 2023 onwards.

### 5. 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 throughout the relevant period.

	26 weeks to 26 November 2023	26 weeks to 27 November 2022	52 weeks to 28 May 2023
Profit attributable to owners of the parent (£m)	71.4	66.5	134.7
Weighted average number of ordinary shares in issue (thousands)	32,919	32,849	32,881
<b>Basic earnings per share (pence per share)</b>	<b>216.9</b>	<b>202.4</b>	<b>409.7</b>

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 relevant period, adjusted for the dilution effect of share options outstanding at the period end.

	26 weeks to 26 November 2023	26 weeks to 27 November 2022	52 weeks to 28 May 2023
Profit attributable to owners of the parent (£m)	71.4	66.5	134.7
Weighted average number of ordinary shares in issue (thousands)	32,919	32,849	32,881
Adjustment for share options (thousands)	93	15	17
Weighted average number of ordinary shares for diluted earnings per share (thousands)	33,012	32,864	32,898
<b>Diluted earnings per share (pence per share)</b>	<b>216.3</b>	<b>202.3</b>	<b>409.4</b>

### 6. Dividends

Dividends of £47.7 million (145 pence per share) and £16.5 million (50 pence per share) were declared and paid in the six months to 26 November 2023.

Dividends of £14.8 million (45 pence per share), £9.8 million (30 pence per share) and £29.6 million (90 pence per share) were declared and paid in the six months to 27 November 2022.

## 7. Reconciliation of profit to cash generated from operations

	26 weeks to 26 November 2023	26 weeks to 27 November 2022	52 weeks to 28 May 2023
	£m	£m	£m
Profit before taxation	95.2	83.6	170.6
Finance income	(1.2)	(0.4)	(1.3)
Finance costs	0.5	0.4	0.9
Operating profit	94.5	83.6	170.2
Adjustments for:			
Depreciation of property, plant and equipment	7.0	6.8	13.7
Depreciation of right-of-use assets	5.9	5.9	11.9
Impairment of intangible assets	-	-	3.6
Loss on disposal of property, plant and equipment	-	0.2	0.1
Loss on disposal of right-of-use assets	-	-	0.1
Loss on disposal of intangible assets	-	-	0.2
Amortisation of capitalised development costs	4.7	5.4	12.1
Amortisation of other intangibles	0.9	0.8	1.8
Share-based payments	0.7	0.5	1.0
Exchange movements	1.1	-	(1.6)
Changes in working capital:			
-(Increase)/decrease in inventories	(4.4)	7.8	6.0
-(Increase)/decrease in trade and other receivables	(7.4)	(10.2)	8.1
-Increase in trade and other payables	13.9	3.5	4.2
-Increase in provisions	-	0.4	0.3
<b>Cash generated from operations</b>	<b>116.9</b>	<b>104.7</b>	<b>231.7</b>

## 8. Other intangible assets

	26 November 2023	27 November 2022	28 May 2023
	£m	£m	£m
Net book value at beginning of period	21.2	25.6	25.6
Additions	7.2	7.4	13.5
Disposals	-	-	(0.2)
Amortisation charge	(5.5)	(6.2)	(13.9)
Impairment	-	-	(3.6)
Reclassification	-	-	(0.2)
<b>Net book value at end of period</b>	<b>22.9</b>	<b>26.8</b>	<b>21.2</b>

## 9. Property, plant and equipment

	26 November 2023	27 November 2022	28 May 2023
	£m	£m	£m
Net book value at beginning of period	55.7	55.0	55.0
Additions	6.2	6.8	14.2
Disposals	-	(0.2)	(0.1)
Depreciation charge	(7.0)	(6.8)	(13.7)
Exchange differences	(0.1)	0.2	0.1
Reclassification	-	-	0.2
<b>Net book value at end of period</b>	<b>54.8</b>	<b>55.0</b>	<b>55.7</b>

## 10. Right-of-use assets

	26 November 2023	27 November 2022	28 May 2023
	£m	£m	£m
Net book value at beginning of period	48.9	48.1	48.1
Additions	4.9	5.7	12.7
Disposals	-	(0.1)	(0.1)
Depreciation charge	(5.9)	(5.9)	(11.9)
Exchange differences	(0.4)	0.6	0.1
<b>Net book value at end of period</b>	<b>47.5</b>	<b>48.4</b>	<b>48.9</b>

## 11. Other non-current receivables

	26 November 2023	27 November 2022	28 May 2023
	£m	£m	£m
Licensing receivables	14.3	14.9	12.6
Other receivables	1.7	1.5	1.0
<b>Total other non-current receivables</b>	<b>16.0</b>	<b>16.4</b>	<b>13.6</b>

Licensing receivables represents amounts in respect of guarantee instalments due in over one year.

## 12. Trade and other receivables

	26 November 2023	27 November 2022	28 May 2023
	£m	£m	£m
Trade receivables	14.3	11.8	10.6
Prepayments and accrued income	12.1	14.7	9.3
Licensing receivables	10.5	10.3	11.3
Other receivables	4.5	15.9	5.1
<b>Total trade and other receivables</b>	<b>41.4</b>	<b>52.7</b>	<b>36.3</b>

Included within licensing receivables is accrued income in respect of unreported royalties of £1.9 million (2022/23: £2.2 million). In the previous period other receivables included a VAT receivable of £11.6 million in respect of outstanding European VAT receipts following Brexit. This has now been received in full.

## 13. Trade and other payables

	26 November 2023	27 November 2022	28 May 2023
	£m	£m	£m
Trade payables	8.0	6.4	9.5
Other taxes and social security	3.0	3.3	3.5
Other payables	17.0	12.0	9.3
Accruals and deferred income	22.6	15.3	14.7
<b>Total trade and other payables</b>	<b>50.6</b>	<b>37.0</b>	<b>37.0</b>

Included within accruals and deferred income is £8.6 million of deferred income (2022/23: £1.9 million) due to an increase in advance payments by trade and online customers. The advance payments relate to made to order products and a recent change in the preorder window for new release products.

## 14. Seasonality

The Group's monthly sales profile demonstrates an element of seasonality around the Christmas period with increased sales in the month of December.

## 15. Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is £4.8 million (2022/23: £3.7 million), of which £3.3 million (2022/23: £2.7 million) relates to tangible fixed assets and £1.5 million (2022/23: £1.0 million) relates to intangible fixed assets.

The Group has an additional commitment of £2.6 million relating to the Australian warehouse lease where the Group has entered into an agreement which creates an obligation but does not yet have control of the underlying asset.

## 16. Related party transactions

There were no related party transactions during the period.

## GLOSSARY

Alternative Performance Measures (APMs)

<b>APM definitions</b>	<b>Closest equivalent IFRS measure</b>	<b>Reconciliation to closest IFRS measure where applicable</b>																									
<b>Core revenue</b> 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 2 to the financial statements.																									
<b>Core gross profit</b> Core gross profit is core revenue less all related cost of sales	Gross profit	Core gross profit is reconciled to gross profit in note 2 to the financial statements.																									
<b>Core operating expenses</b> 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 2 to the financial statements.																									
<b>Core operating profit</b> 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 2 to the financial statements.																									
<b>Licensing revenue</b> Income relating to royalties earned from third party licensees	Revenue	Licensing revenue is reconciled to revenue in note 2 to the financial statements.																									
<b>Licensing gross profit</b> Licensing gross profit is licensing revenue less any related cost of sales	Gross profit	Licensing gross profit is reconciled to gross profit in note 2 to the financial statements.																									
<b>Licensing operating expenses</b> Operating expenses relating to the licensing segments	Operating expenses	Licensing operating expenses are reconciled to operating expenses in note 2 to the financial statements.																									
<b>Licensing operating profit</b> 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 2 to the financial statements.																									
<b>Revenue at constant currency</b> Core operating profit at constant currency Licensing operating profit at constant currency Amounts for current and prior periods, stated at a constant exchange rate.	Revenue Operating profit Operating profit	These are calculated by converting underlying revenue, core operating profit and licensing operating profit amounts at local currency values for the current period at the prior period average exchange rate.																									
		<table border="1"> <thead> <tr> <th></th> <th>Actual</th> <th>2023 Impact of FX</th> <th>Constant currency</th> <th>2022 Actual</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>247.7</td> <td>7.2</td> <td>254.9</td> <td>226.6</td> </tr> <tr> <td>Core operating profit</td> <td>83.4</td> <td>4.4</td> <td>87.8</td> <td>70.7</td> </tr> <tr> <td>Licensing operating profit</td> <td>11.1</td> <td>0.4</td> <td>11.5</td> <td>12.9</td> </tr> </tbody> </table>		Actual	2023 Impact of FX	Constant currency	2022 Actual		£m	£m	£m	£m	Revenue	247.7	7.2	254.9	226.6	Core operating profit	83.4	4.4	87.8	70.7	Licensing operating profit	11.1	0.4	11.5	12.9
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<b>Cash generated - pre dividends paid</b> 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 (2023/24: £21.1m, 2022/23: £13.9m) and adding back the dividends which have been paid in the period (2023/24: £64.2m, 2022/23: £54.2m).																									