RNS Number : 1615M
Games Workshop Group PLC
10 January 2023

GAMES WORKSHOP GROUP PLC

10 January 2023

HALF-YEARLY REPORT

Games Workshop Group PLC ('Games Workshop' or the 'Group') announces its half-yearly results for the 26 week period to 27 November 2022.

Highlights:

	26 weeks to 27 November 2022	26 weeks to 28 November 2021
Core revenue	**£212.3m**	£191.5m
Licensing revenue	**£14.3m**	£20.1m
Revenue	**£226.6m**	£211.6m
Revenue at constant currency	**£211.7m**	£211.6m
Core operating profit	**£70.7m**	£69.7m
Licensing operating profit	**£12.9m**	£18.8m
Operating profit	**£83.6m**	£88.5m
Operating profit at constant currency	**£75.7m**	£88.5m
Profit before taxation	**£83.6m**	£88.2m
Net increase in cash - pre-dividends paid	**£68.1m**	£41.4m
Earnings per share	**202.4p**	217.2p
Dividends per share declared in the period	**165p**	100p
Dividends per share paid in the period	**165p**	115p

Kevin Rountree, CEO of Games Workshop, said:

"Games Workshop and the Warhammer hobby are in great shape.

Another rewarding and successful period for the global team with core sales for the six months of over £200 million for the first time. We will continue to focus on making the best miniatures in the world, sign new licensing contracts with partners to exploit our IP outside of our core business and support our staff. I'm so proud of their considerable hard work and commitment, thank you all."

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See the glossary on page 84 of the 2022 annual report for details on the alternative performance measures.

FIRST HALF HIGHLIGHTS

26 weeks to 27 November 2022 and 28 November 2021:

Revenue and operating profit at actual rates

	Core	Licensing	Total

	2022 £m	2021 £m	2022 £m	2021 £m	2022 £m	2021 £m
Trade	**120.9**	108.1	**-**	-	**120.9**	108.1
Retail	**48.7**	41.9	**-**	-	**48.7**	41.9
Online	**42.7**	41.5	**-**	-	**42.7**	41.5
Licensing	**-**	-	**14.3**	20.1	**14.3**	20.1
Revenue	**212.3**	191.5	**14.3**	20.1	**226.6**	211.6
Cost of sales	**(76.0)**	(60.2)	**-**	-	**(76.0)**	(60.2)
Gross profit	**136.3**	131.3	**14.3**	20.1	**150.6**	151.4
Operating expenses	**(65.6)**	(61.6)	**(1.4)**	(1.3)	**(67.0)**	(62.9)
Operating profit	**70.7**	69.7	**12.9**	18.8	**83.6**	88.5

Revenue and operating profit at constant currency

	Core		Licensing		Total	
	2022 £m	2021 £m	**2022 £m**	2021 £m	**2022 £m**	2021 £m
Trade	**111.8**	108.1	**-**	-	**111.8**	108.1
Retail	**46.0**	41.9	**-**	-	**46.0**	41.9
Online	**41.3**	41.5	**-**	-	**41.3**	41.5
Licensing	**-**	-	**12.6**	20.1	**12.6**	20.1
Revenue	**199.1**	191.5	**12.6**	20.1	**211.7**	211.6
Cost of sales	**(71.4)**	(60.2)	**-**	-	**(71.4)**	(60.2)
Gross profit	**127.7**	131.3	**12.6**	20.1	**140.3**	151.4
Operating expenses	**(63.2)**	(61.6)	**(1.4)**	(1.3)	**(64.6)**	(62.9)
Operating profit	**64.5**	69.7	**11.2**	18.8	**75.7**	88.5

Foreign exchange rates

Our currency exposures are the euro and US dollar:

	euro		US dollar	
	2022	2021	**2022**	2021
Rate used for the balance sheet at the period end	**1.16**	1.18	**1.21**	1.33
Average rate used for earnings	**1.17**	1.17	**1.18**	1.37

INTERIM MANAGEMENT REPORT

Games Workshop and the Warhammer hobby are in great shape.

Strategy

The half year feels like a good time to remind everyone what Games Workshop is aiming for and achieving:

- We are committed to the continuous development of our intellectual property ('IP') and making the Warhammer hobby and our business ever better.
- We are committed to our core strategy (and it has not changed): 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.
- We are committed to exploiting our IP outside of our core business, globally through licensing agreements.

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 margins. 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.

Update

The global team has delivered another record half year sales performance led by a great recovery in all channels in Australia, Canada and the UK. We have added an additional 119 trade outlets in North America and although our global online sales in constant currency have declined slightly (in line with our forecasts) our core engagement online metrics continue to grow.

We set ourselves a higher sales growth goal, so whilst this is a record number, it isn't where we wanted to be, particularly in the US, which was flat, at constant currency, against a record year last year. We are working as a senior team to improve our joined up plan in the US. Our current level of global sales is relatively new to us, so we are rapidly changing and learning as we go: managing and forecasting new release products for our broad range, at our highest ever volumes, is a reasonable challenge. We are working even harder on range management processes to ensure our whole offer gets its due attention at all times: as a team we need to scale with a little more nous.

Our global projects continue to be delayed - it remains an ongoing challenge to integrate new IT systems when we are still heavily reliant on working with our legacy IT systems. Finishing these projects and upgrading our systems continue to be a key area of focus. We are making some progress but it's costing us more time and money - we will remain cost conscious.

Our operating costs have been managed exceptionally well and are in line with our internal targets but our core gross margin at actual rates is 4.3% down (see below). We continue to face external cost pressures so we are managing the ones in our control appropriately.

We know that ongoing success is built on our investment in our global team, especially in our design studios: they will always design the best miniatures. During the period that has continued. Our core average return on capital employed, averaged over a 12 month period, has remained in our target range at 112% at November 2022 compared to 118% at May 2022.

We are very confident in the Warhammer hobby, and our business model and its resilience.

External factors impacting the delivery of our commercial plan

We are staying positive - so I'll just simply list the impacts of Covid-19, Brexit and the horrendous war in Ukraine (our heartfelt thoughts go out to all) here to note.

Covid-19 - We are still operating with additional safety measures in China and Japan and elsewhere our staff who ask to wear face coverings can. We continue to actively encourage our staff to do the right thing for themselves and their colleagues; having the Covid-19 vaccines is top of the list, and we mandate they follow all local government guidelines. The lost sales from China of c.£1 million for the last six months are not as bad as we forecast. Some of our retail countries have only fully opened in the period reported so their performance is not yet a fair like-for-like.

Brexit - Brexit has added extra costs but we now see these as the new cost of doing business, so we are managing what's in our control to improve our margins. To mitigate staff recruitment gaps, especially those with language skills in the UK based European Trade team, in November we opened a new trade sales office in Barcelona. At the period end we had an outstanding £12 million of VAT receivable from the French tax authorities. We expect to receive this imminently.

War in Ukraine - half year c.£2 million lost in net revenue from trade sales in Russia.

Performance

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

On a constant currency basis:

- Core sales growth - sales growth (+4.0%) continues across Retail (+9.8%) and Trade (+3.4%) with a small decline in Online (-0.5%).
- Core gross margin - down 4.5% to 64.1% in the period with increasing volumes, offset by materials increases (+£2.5 million, 1.9% of core sales) and carriage cost increases (+£2.8 million, 1.2% of core sales) both due to external pressures. There were increased staff costs of £1.0 million, 0.2% of core sales in the design studio (investment in pay grades and increased headcount, +20 new jobs in the period) and the incremental cost of our new facilities (+£1.0 million, 0.5% of core sales). Investment in inventory, to ensure we meet customer demand, has also resulted in additional inventory provisioning of £1.2 million, 0.4% of core sales. Our average RRP increase during the period was broadly the same as last year.
- Core cost to sales ratio - at 29.5% (excluding group profit share) (2021: 28.6%) our operating expenses are under control and increased mainly due to increases in staff costs (3% annual pay rise and increases in headcount, +24).
- Core operating profit - down £5.2 million to £64.5 million and profit to sales ratio is down 4.0% to 32.4%.

At actual exchange rates:

- Net cash generated from operating activities - £104.7 million (2021: £76.5 million). Core operating profit of £70.7 million (2021: £69.7 million) includes non-cash movements (amortisation and depreciation) of £19.6 million (2021: £16.4 million). Core working capital has reduced by £1.0 million since May 2022 (2021: £15.8 million increase) and licensing net cash inflows in the period were £13.4 million (2021: £6.2 million).
- Major projects - to date £4.5 million spend on projects in the first half, including warehouse and factory investment and investment in the new webstore

and investment in the new webstore.

- Returns to shareholders - we have declared £54.2 million in dividends during the period (2021: £32.8 million).
- Foreign exchange differences - the impact on reported operating profits is a gain of £6.7 million. 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 maintain our current level of profits and 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.

We are not planning any share buybacks or acquisitions.

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.

Employees

Our performance, as ever, was driven by a great team effort.

With sales in the period growing at a slower rate than costs at constant currency, we have continued to only recruit essential new jobs or where we need to back-fill positions. It's a principle on how we have run the business rather than a concern. We have continued to support lifelong learning and training to develop the skills needed to enable all our staff to be successful.

We have continued to develop orderly succession plans for both the board and senior management. We continue in our commitment to diversity and inclusion at Games Workshop.

We are committed to ensuring that all staff are paid fairly for the job they perform and to rewarding our staff for their considerable contribution. We always manage the business for the long term and aim to get the right mix of annual pay rises and variable cash rewards. From June we paid a standard 3% pay rise, with some staff receiving a pay rise of up to 10% to benchmark their pay to market rates. We share our success with our staff too via the group profit share scheme.

In line with our group profit share scheme, payments in cash to staff are £4.5 million (2021: £6.9 million). Total dividends declared in the period reported were 165 pence per share, £54.2 million (2021: 100 pence per share, £32.8 million).

Customer focused

We have continued to be customer focused, increasing the amount of fan content we celebrate on social media and providing focus to the conversation around rules and game balance. Our goal remains to reach, engage and inspire Warhammer fans everywhere and the team has continued to develop the tools and processes needed to make sure we can reach more people and provide them with the content and information they need to get the most from Warhammer.

Social responsibility and sustainability

We have continued to focus on staff wellbeing, diversity and inclusion. We are in the process of rolling out a new wellbeing platform across Games Workshop which will provide all staff globally with access to a wide range of support, advice and information. We have continued to review our internal processes and training to ensure that we always remain free from bias and any form of discrimination.

Climate change has enormous implications for society. We acknowledge that fully - sustainability is a necessity at Games Workshop. We continue to develop and expand our 'sustainability action list' which aligns our approach of just doing the right thing with better external reporting. The action list focuses our efforts on where we can make the biggest difference. Immediate focal points include well thought through and deliverable site waste reduction and extending our sustainable packaging initiatives. More details on our progress towards TCFD and a science-based target will be included in our 2023 annual report. It is worth noting that the majority of our carbon footprint is in scope 3, with a particular emphasis on emissions from purchased goods and services (71% of our reported CO_2 emissions in 2021/22). We are working with our partners to document how we can reduce these levels, now and as we grow, to mitigate or reduce any impact.

Video game partners

We are always looking to add more quality long-term video game partners to help us reach even more fans of our IP. It's been an exciting period, with launches for 22/23 so far including Immortal Empires mode for Total War: Warhammer III, Chaos Gate, Darktide and Tacticus for mobile. Blood Bowl 3 launches in February 2023.

Review of the period

More Warhammer. More Often - core business

Core revenue

Reported core revenue grew by 10.9% to £212.3 million for the period. On a constant currency basis, sales were up by 4% from £191.5 million to £199.1 million; split by channel this comprised: Trade £111.8 million (2021: £108.1 million), Retail £46.0 million (2021: £41.9 million) and Online £41.3 million (2021: £41.5 million).

Trade

Trade grew by 11.8% at actual rates, 3.4% at constant currency rates, despite the loss of sales to Russia and reduced sales in China. At constant currency, sales in North America were flat compared to last year; although we have the highest number of accounts ever, slow ordering rates amongst our wider retailer base in North America have resulted in a lacklustre performance. We expect an improvement in the second half. 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, Sydney, Tokyo, Shanghai, Singapore, Hong Kong and Kuala Lumpur. In the period, our net number of trade outlets globally increased by c.80 accounts to 6,300 (not including +1,000 major chain outlets stocking some key recruitment products).

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.

To address Brexit related staff vacancies in the trade team that supports our European trade accounts in their local language, we have opened a new sales office in Barcelona. When fully staffed it will have c.45 staff. Our team in North America and our much smaller teams in Australia and Asia are running at normal staffing levels.

Retail

Our stores have performed well during the period. We are benefitting in Australia and Continental Europe from being fully open following Covid-19 restrictions being removed and our store managers being allowed to offer our full retail experience. The recovery of retail in Australia has been great to see (they now have to keep the momentum going) and our recent addition of a new regional retail manager in Canada is helping us as well. 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 was flat at constant currency rates, with higher than normal comparatives in the prior period. They delivered like-for-like growth in the last three months. Globally we opened, including relocations, 5 stores (our plan is c.20 new stores for the full year). After closing 6 stores, our net total number of stores at the end of the period is 517.

Retail operating expenses, excluding events, have increased by £3.6 million at actual rates and £2.4 million at constant currency. At constant currency the main increase relates to staff costs (+£1.1 million), we ensure we pay the right salary to retail staff in each territory. The majority of our stores are profitable (38 stores are not, 2021: 34 stores).

Online

Sales from Online grew by 2.9% at actual rates but fell by 0.5% at constant currency rates compared to the same period last year. Online sales fell across most territories (except North America), which is in line with our commercial plan given the targeted recovery of retail. We are seeing an increase in both our direct through trade (orders from independent accounts for our extended range, made on our online store) and our direct through retail offers (orders on in store terminals for product not sold in our stores) as our customers have a lot of options when it comes to shopping for Warhammer. As noted above, both independent retailers and our own stores have seen the benefit of increased in-store customer experience post Covid-19 restrictions ending, particularly in Australia and Continental Europe.

We are investing in a new platform for our webstore and to date we have spent £4.9 million. The launch of the new webstore is delayed due to needing more time given the complex nature of the project. I'm disappointed with progress to date so we have some ground to make up - we have tentatively rescheduled for a go live date in the summer of 2023.

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

Design

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

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

The release of Warhammer: The Horus Heresy - Age of Darkness box set in June was enthusiastically received by both existing and new Horus Heresy collectors and marks a step change in our development and output for this rich and popular IP. The rest of the period saw significant releases for all our main IPs including new miniatures and environments for WarCry and Kill Team (our Warhammer: Age of Sigmar and Warhammer 40,000 skirmish games), new Contrast and Shade paints for all hobbyists and a completely new race for Warhammer 40,000 - The Leagues of Votann. We remain focused on providing our customers with a rich depth of choice of the best miniatures in the world.

We have created 20 jobs in the period, taking our total number of jobs in our design studio to 304. IP and design studio payroll costs increased by £1.0 million to £6.2 million in the period; as a percentage of core sales they have increased by 0.2% to 2.9%.

Warehouses

Warehousing projects in North America and the UK have progressed, albeit more slowly than planned, largely due to the complexity of robustly integrating new technology with legacy Games Workshop systems. However, we remain confident in our technology and equipment choices.

North America

The bedding in of new systems and processes in our Memphis facility has enabled us to maintain a significant improvement in the speed with which we dispatch orders to customers. The integration complications will continue to cause us some operational delays, however, we are confident we can meet our target service levels with our customers.

UK - East Midlands Gateway (EMG)

Our new warehouse now directly fulfils all stock for our retail stores across the UK and Continental Europe. Whilst the start up was bumpy, service to these stores is now reliable. Distribution activity for all UK and European trade accounts and online customers will transition to EMG (from the original Eurohub warehouse in Nottingham) in Spring 2023, approximately six months later than planned.

UK - Nottingham

Much of the work to reconfigure and repurpose the original Eurohub warehouse to become our primary component warehouse has been completed. Transition of the component operation between EMG and Eurohub is on track to be completed before the end of this financial year.

Our major investment in warehousing, for the near term, will be completed this financial year.

Total warehousing costs have increased by £2.5 million to £12.2 million at actual rates; as a percentage of core sales they have increased from 5.1% to 5.7%. This reflects the investment in facilities and equipment in North America and UK warehouses as well as external cost pressures on utilities and consumable costs.

Factories

We continue to manufacture all of our core products at our three factories in Nottingham. Our manufacturing facilities and capabilities at these sites have continued to expand with the installation of more machinery. Combined Factories 1 and 2 now operate 46 injection moulding machines (+8 on this time last year). Our third Nottingham factory dedicated to paint production is fully operational including a new paint filling and bottling line.

Our total manufacturing headcount has reduced slightly during the period with the total number of jobs in our factories now standing at 415. A reduction in temporary staff cost, netted against the annual pay rise, reduced manufacturing payroll costs by £1.0 million to £5.3 million; reducing to 2.5% from 3.3% of core sales at actual rates.

Services

IT - we've highlighted above the challenges our relatively new global head of IT is dealing with. The team is starting to make some progress. They are feeling part of the solution and the broader team rather than a support function. The goal remains the same: our IT systems and infrastructure adapt and scale with the business as we grow - they're currently holding us back. We will continue to invest in the team in the period ahead, the senior IT team must spend this investment wisely

Customer service - saw a sustained higher than normal volume of queries (mainly, 'where's my order?') as the new warehouse systems bedded in. The international team responded with great spirit to ensure our customers got great service despite the circumstances and these queries have now returned to a more normal level.

Total support services operating expenses, excluding marketing costs, have increased by £0.5 million to £13.5 million at actual rates; as a percentage of core sales they have decreased from 6.8% to 6.4% in line with our operational plan. Other operating expenses relating to design, manufacturing and logistics increased by £0.2 million to £2.0 million at actual rates.

Marketing

Community

Warhammer-community.com remains the cornerstone of our online presence. This blog and news site is used regularly by Warhammer fans, consistently seeing over 100,000 visits every day, and is on track to continue growing this year. Our social channels continue to go from strength-to-strength and we now have an engaged following of 1.9 million across all our social channels.

'My Warhammer' registrations continue to grow at pace and have grown 22% over 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. We now have 718,000 linked accounts.

Warhammer+

Launched in August 2021, it continues to delight and entertain a growing subscriber base. Warhammer+ shows and animations have now been viewed over 5 million times. Revenue is £3.0 million in the period and associated development costs of £2.4 million. Our subscriber numbers are 115,000.

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. In the six month period, subscribers increased to just under 1 million. We continue to look for more ways to surprise and delight our loyal fans and bring new customers into the Warhammer hobby.

Marketing costs increased by £0.4 million to £3.8 million; as a percentage of core sales, costs have remained flat at 1.8%. These exclude the costs related to delivering Warhammer+ and its content.

Events

Warhammer events and gaming conventions engaged with customers and recruited new ones across North America, Europe, Asia, and the UK. In November, we announced the re-launch of UK Warhammer Fest which will deliver a celebration to around 10,000 Warhammer fans over the 2023 April/May bank holiday weekend in Manchester. 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.

Capital investment

In manufacturing we have invested £3.3 million in tooling and £0.6m in facilities and equipment. In warehousing we have spent £1.2 million in the period on facilities, racking and IT systems.

More Warhammer. More Often - 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

We have not signed any contracts in the period reported. We have agreed, in principle, to explore opportunities to exploit our IP with Amazon Studios. We announced this in December 2022 after the half year period. We have nothing more to say at this stage. We will keep you informed. We remain confident we will bring the worlds of Warhammer to the screen like you have never seen before.

Video games

During the period our licensing partners launched four new games; three PC/console 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. A particular launch of note was the highly anticipated Darktide.

Licensing revenue

Licensing revenue from royalty income decreased in the period by £5.8 million to £14.3 million. This was largely due to a high level of guarantee income on multi-year contracts signed in the period last year (2022: £7.3 million; 2021: £14.4 million). 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. We recognised one significant guarantee in the income statement last year of £7.5 million. The cash is paid throughout the lifetime of the licence. Reported income is split as follows: 83% PC and console games, 7% mobile and 10% other.

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 top three strategic risks to the Group are regularly reviewed by the board. The principal strategic risks identified in 2022/23 are discussed below. These risks are not intended to be an extensive analysis of all risks that may arise.

- 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 - it is imperative that exploitation of our IP through media channels does no harm to our core business. Our creative media director's primary job, with the support of our global IP and product design director, is to ensure that any representation of our IP is aligned to our IP guidelines and is approved, correct and consistent. They are fully supported by our in-house legal team who will act when needed.
- Social responsibility - we do not intend to 'greenwash'. We have operational plans in place for global initiatives including climate change, diversity and equality. Our senior managers have documented a realistic plan to ensure we make progress, forever.

Our biggest risk is senior management becoming complacent. I will continue to do my best to make sure it does not happen.

We do not consider that we have any material solvency or liquidity risks.

Outlook

Another rewarding and successful period for the global team with core sales for the six months of over £200 million for the first time. We will continue to focus on making the best miniatures in the world, sign new licensing contracts with partners to exploit our IP outside of our core business and support our staff. I'm so proud of their considerable hard work and commitment, thank you all.

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 year; (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 the following changes to the board since the annual report for the 52 week period to 29 May 2022:

- Randal Casson was appointed as non-executive director with effect from 1 July 2022.
- Elaine O'Donnell stepped down as non-executive chair from 1 January 2023, after she had served as a director for nine years.
- John Brewis was appointed as non-executive chair from 1 January 2023.

A list of all current directors is maintained on the investor relations website at investor.games-workshop.com.

By order of the board

Kevin Rountree
CEO

Rachel Tongue
CFO
10 January 2023

CONSOLIDATED INCOME STATEMENT

	Notes	**26 weeks to 27 November 2022 £m**	Restated 26 weeks to 28 November 2021 £m	52 weeks to 29 May 2022 £m
Core revenue		**212.3**	191.5	386.8
Licensing revenue		**14.3**	20.1	28.0
Revenue	2	**226.6**	211.6	414.8
Cost of sales		**(76.0)**	(60.2)	(127.4)
Core gross profit		***136.3***	*131.3*	*259.4*
Licensing gross profit		***14.3***	*20.1*	*28.0*
Gross profit		**150.6**	151.4	287.4
Operating expenses	2	**(67.0)**	(62.9)	(130.3)
Core operating profit		***70.7***	*69.7*	*131.7*
Licensing operating profit		***12.9***	*18.8*	*25.4*
Operating profit	2	**83.6**	88.5	157.1
Finance income		**0.4**	0.1	0.2
Finance costs		**(0.4)**	(0.4)	(0.8)
Profit before taxation	3	**83.6**	88.2	156.5
Income tax expense	4	**(17.1)**	(17.0)	(28.1)
Profit attributable to owners of the parent		**66.5**	71.2	128.4
Basic earnings per ordinary share	5	**202.4p**	217.2p	391.3p
Diluted earnings per ordinary share	5	**202.3p**	216.6p	390.6p

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

	Six months to 27 November 2022 £m	Six months to 28 November 2021 £m	52 weeks to 29 May 2022 £m
Profit attributable to owners of the parent	**66.5**	71.2	128.4
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	**0.6**	1.8	0.8
Other comprehensive income for the period	**0.6**	1.8	0.8
Total comprehensive income attributable to owners of the parent	**67.1**	73.0	129.2

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

CONSOLIDATED BALANCE SHEET

	Notes	27 November 2022 £m	28 November 2021 £m	29 May 2022 £m
Non-current assets				
Goodwill		**1.4**	1.4	1.4
Other intangible assets	8	**26.8**	25.7	25.6
Property, plant and equipment	9	**55.0**	52.9	55.0
Right-of-use assets	10	**48.4**	46.4	48.1
Deferred tax assets		**18.5**	10.0	17.8
Other non-current receivables	12	**16.4**	15.2	19.4
		166.5	151.6	167.3
Current assets				
Inventories		**31.8**	33.8	38.4
Trade and other receivables	11	**52.7**	53.5	39.6
Current tax assets		**4.3**	0.1	4.4
Cash and cash equivalents		**85.2**	88.6	71.4
		174.0	176.0	153.8
Total assets		**340.5**	327.6	321.1
Current liabilities				
Lease liabilities		**(9.7)**	(8.1)	(9.2)
Trade and other payables		**(37.0)**	(42.7)	(33.5)
Current tax liabilities		**(0.1)**	(0.4)	(1.1)
Provisions for other liabilities and charges		**(0.9)**	(0.6)	(0.8)
		(47.7)	(51.8)	(44.6)
Net current assets		**126.3**	124.2	109.2
Non-current liabilities				
Lease liabilities		**(39.8)**	(39.5)	(39.7)
Deferred tax liabilities		**(0.4)**	-	-
Other non-current liabilities		**(0.5)**	(0.6)	(0.6)
Provisions for other liabilities and charges		**(1.7)**	(1.8)	(1.5)
		(42.4)	(41.9)	(41.8)
Net assets		**250.4**	233.9	234.7
Capital and reserves				
Called up share capital		**1.6**	1.6	1.6
Share premium account		**18.6**	16.3	16.3
Other reserves		**3.5**	3.9	2.9
Retained earnings		**226.7**	212.1	213.9
Total equity		**250.4**	233.9	234.7

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

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 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 30 May 2021 and 31 May 2021	1.6	14.5	2.1	178.1	196.3
Profit for the 26 weeks to 28 November 2021	-	-	-	71.2	71.2
Exchange differences on translation of foreign operations	-	-	1.8	-	1.8
Total comprehensive income for the period	-	-	1.8	71.2	73.0
Transactions with owners:					
Share-based payments	-	-	-	0.6	0.6
Shares issued under employee sharesave scheme	-	1.8	-	-	1.8
Deferred tax charge relating to share options	-	-	-	(0.4)	(0.4)
Current tax credit relating to exercised share options	-	-	-	0.3	0.3
Dividends paid to Company shareholders	-	-	-	(37.7)	(37.7)
Total transactions with owners	-	1.8	-	(37.2)	(35.4)
At 28 November 2021	1.6	16.3	3.9	212.1	233.9

	Called up share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
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	-	1.8	-	-	1.8
Deferred tax charge 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

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

CONSOLIDATED CASH FLOW STATEMENT

	Notes	**26 weeks to 27 November 2022 £m**	26 weeks to 28 November 2021 £m	52 weeks to 29 May 2022 £m
Cash flows from operating activities				
Cash generated from operations	7	**104.7**	76.5	159.2
UK corporation tax paid		**(14.6)**	(15.3)	(34.0)
Overseas tax paid		**(3.7)**	(0.5)	(3.7)
Net cash generated from operating activities		**86.4**	60.7	121.5
Cash flows from investing activities				
Purchases of property, plant and equipment		**(7.4)**	(8.8)	(17.0)
Purchases of other intangible assets		**(0.4)**	(1.3)	(1.4)
Expenditure on product development		**(7.0)**	(5.4)	(13.9)
Interest received		**0.4**	0.1	0.2
Net cash used in investing activities		**(14.4)**	(15.4)	(32.1)
Cash flows from financing activities				
Proceeds from issue of ordinary share capital		**2.3**	1.8	1.8
Repayment of principal under leases		**(5.8)**	(5.3)	(11.1)
Lease interest paid		**(0.4)**	(0.4)	(0.8)
Dividends paid to Company shareholders		**(54.2)**	(37.7)	(93.5)
Net cash used in financing activities		**(58.1)**	(41.6)	(103.6)
Net increase/(decrease) in cash and cash equivalents		**13.9**	3.7	(14.2)
Opening cash and cash equivalents		**71.4**	85.2	85.2
Effects of foreign exchange rates on cash and cash equivalents		**(0.1)**	(0.3)	0.4
Closing cash and cash equivalents		**85.2**	88.6	71.4

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 29 May 2022 were approved by the board of directors on 25 July 2022 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 27 November 2022 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 29 May 2022 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 10 January 2023.

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.

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 29 May 2022.

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 29 May 2022, 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. Segment information for the period ending 28 November 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 and profit share scheme charges were previously included outside of segmental operating expenses, these have now all been included in core operating expenses.

At 27 November 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.

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 (which create 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 assesses the performance of each segment based on operating profit, excluding share option charges recognised under IFRS 2, 'Share-based payment' and charges in respect of the Group's profit share schemes. 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 27 November 2022 and 28 November 2021:

	Core		Licensing		Total	
		Restated		Restated		Restated
	2022	2021	**2022**	2021	**2022**	2021
	£m	£m	**£m**	£m	**£m**	£m
Trade	**120.9**	108.1	**-**	-	**120.9**	108.1
Retail	**48.7**	41.9	**-**	-	**48.7**	41.9
Online	**42.7**	41.5	**-**	-	**42.7**	41.5
Licensing	**-**	-	**14.3**	20.1	**14.3**	20.1
Revenue	**212.3**	191.5	**14.3**	20.1	**226.6**	211.6
Cost of sales	**(76.0)**	(60.2)	**-**	-	**(76.0)**	(60.2)
Gross profit	**136.3**	131.3	**14.3**	20.1	**150.6**	151.4
Trade	**(5.6)**	(4.9)	**-**	-	**(5.6)**	(4.9)
Retail	**(30.1)**	(25.7)	**-**	-	**(30.1)**	(25.7)
Online	**(5.0)**	(4.6)	**-**	-	**(5.0)**	(4.6)
Design, manufacturing, logistics and operations	**(18.0)**	(17.4)	**-**	-	**(17.7)**	(17.4)
Licensing	**-**	-	**(1.4)**	(1.3)	**(1.4)**	(1.3)
Group	**(1.9)**	(1.5)	**-**	-	**(2.2)**	(1.5)
Share-based payment charge	**(0.5)**	(0.6)	**-**	-	**(0.5)**	(0.6)
Profit share scheme charge	**(4.5)**	(6.9)	**-**	-	**(4.5)**	(6.9)
Operating expenses	**(65.6)**	(61.6)	**(1.4)**	(1.3)	**(67.0)**	(62.9)
Operating profit	**70.7**	69.7	**12.9**	18.8	**83.6**	88.5
Finance income	**0.4**	0.1	**-**	-	**0.4**	0.1
Finance costs	**(0.4)**	(0.4)	**-**	-	**(0.4)**	(0.4)
Profit before tax	**70.7**	69.4	**12.9**	18.8	**83.6**	88.2

2. Segment information continued

52 weeks to 29 May 2022:

	Core	Licensing	Total
	2022	2022	2022
	£m	£m	£m
Trade	214.3	-	214.3
Retail	87.2	-	87.2
Online	85.3	-	85.3
Licensing	-	28.0	28.0
Revenue	386.8	28.0	414.8
Cost of sales	(127.4)	-	(127.4)
Gross profit	259.4	28.0	287.4
Trade	(10.7)	-	(10.7)
Retail	(52.4)	-	(52.4)
Online	(11.7)	-	(11.7)
Design, manufacturing, logistics and operations	(37.6)	-	(37.6)
Licensing	-	(2.6)	(2.6)
Group	(3.8)	-	(3.8)
Share-based payment charge	(1.6)	-	(1.6)
Profit share scheme charge	(9.9)	-	(9.9)
Operating expenses	(127.7)	(2.6)	(130.3)
Operating profit	131.7	25.4	157.1
Finance income	0.2	-	0.2
Finance costs	(0.8)	-	(0.8)
Profit before tax	131.1	25.4	156.5

For information, we analyse core external revenue further below:

	26 weeks to 27 November 2022 £m	26 weeks to 28 November 2021 £m	52 weeks to 29 May 2022 £m
Trade			
UK and Continental Europe	**50.9**	44.8	90.4
North America	**55.6**	47.8	96.5
Australia and New Zealand	**7.5**	5.7	11.4
Asia	**4.5**	5.1	8.5
Rest of world	**1.5**	3.7	5.9
Black Library	**0.9**	1.0	1.6
Total Trade	**120.9**	108.1	214.3
Retail			
UK	**14.4**	11.8	25.7
Continental Europe	**9.7**	9.5	18.5
North America	**18.9**	16.2	33.6
Australia and New Zealand	**4.7**	3.2	7.3
Asia	**1.0**	1.2	2.1
Total Retail	**48.7**	41.9	87.2
Online			
UK	**7.0**	9.3	19.0
Continental Europe	**7.2**	8.6	16.3
North America	**17.1**	14.4	31.4
Australia and New Zealand	**2.3**	2.5	4.4
Asia	**0.2**	0.2	0.4
Rest of world	**0.5**	0.7	1.4
Digital and apps	**8.4**	5.8	12.4
Total Online	**42.7**	41.5	85.3
Total core external revenue	**212.3**	191.5	386.8

3. Profit before taxation

	26 weeks to 27 November 2022 £m	26 weeks to 28 November 2021 £m	52 weeks to 29 May 2022 £m
Profit before taxation is stated after charging:			
Depreciation:			
- Owned property, plant and equipment	**6.8**	5.7	11.7
- Right-of-use assets	**5.9**	5.5	11.2
Amortisation:			
- Amortisation of capitalised development costs	**5.4**	3.5	10.1
- Amortisation of other intangibles	**0.8**	0.7	1.6
Impairment of computer software	**-**	-	1.1
Impairment of development costs	**-**	-	0.2
Redundancy costs and compensation for loss of office	**0.4**	0.3	0.6
Inventory provision creation	**4.2**	3.2	10.6

4. Tax

The taxation charge for the six months to 27 November 2022 is based on an estimate of the full 52 week period effective rate of 20.5% (2021:19.3%). The increase reflects the UK corporation rate increase on taxable profits after 1 April 2022 from 19% to 25%. While we continue to expect a rate above that for a business with activities based solely in the UK due to higher overseas tax rates, the rate is lowered as a result of the increase in overseas profit in inventory provisions together with the impact of super deductions.

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 27 November 2022 £m	26 weeks to 28 November 2021 £m	52 weeks to 29 May 2022 £m
Profit attributable to owners of the parent (£m)	**66.5**	71.2	128.4
Weighted average number of ordinary shares in issue (thousands)	**32,849**	32,786	32,813
Basic earnings per share (pence per share)	**202.4**	217.2	391.3

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 27 November 2022	26 weeks to 28 November 2021	52 weeks to 29 May 2022
Profit attributable to owners of the parent (£m)	**66.5**	71.2	128.4
Weighted average number of ordinary shares in issue (thousands)	**32,849**	32,786	32,813
Adjustment for share options (thousands)	**15**	79	60
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**32,864**	32,865	32,873
Diluted earnings per share (pence per share)	**202.3**	216.6	390.6

6. Dividends

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

A dividend of £16.4 million (50 pence per share), declared in the 52 weeks ended 30 May 2021, was paid in the six months to 28 November 2021. Dividends of £13.1 million (40 pence per share) and £8.2 million (25 pence per share) were also declared and paid in the six months to 28 November 2021. A further dividend of £11.5 million (35 pence per share) was declared on 18 November 2021 and was paid on 5 January 2022.

7. Reconciliation of profit to net cash from operating activities

	26 weeks to 27 November 2022 £m	26 weeks to 28 November 2021 £m	52 weeks to 29 May 2022 £m
Profit before taxation	**83.6**	88.2	156.5
Finance income	**(0.4)**	(0.1)	(0.2)
Finance costs	**0.4**	0.4	0.8
Operating profit	**83.6**	88.5	157.1
Depreciation of property, plant and equipment	**6.8**	5.7	11.7
Depreciation of right-of-use assets	**5.9**	5.5	11.2
Impairment of intangible assets	**-**	-	1.3
Loss on disposal of property, plant and equipment	**0.2**	0.1	0.1
Loss on disposal of intangible assets	**-**	0.3	0.3
Amortisation of capitalised development costs	**5.4**	3.5	10.1
Amortisation of other intangibles	**0.8**	0.7	1.6
Share-based payments	**0.5**	0.6	1.6
Changes in working capital:			
-Decrease/(increase) in inventories	**7.8**	(6.6)	(12.2)
-Increase in trade and other receivables	**(10.2)**	(32.0)	(21.5)
-Increase/(decrease) in trade and other payables	**3.5**	10.0	(2.1)
-Increase in provisions	**0.4**	0.2	-
Net cash from operating activities	**104.7**	76.5	159.2

8. Other intangible assets

	27 November 2022	28 November 2021	29 May 2022
	£m	£m	£m
Net book value at beginning of period	**25.6**	23.7	23.7
Additions	**7.4**	6.5	15.3
Disposals	**-**	(0.3)	(0.3)
Amortisation charge	**(6.2)**	(4.2)	(11.7)
Impairment	**-**	-	(1.3)
Exchange differences	**-**	-	0.1
Reclassification	**-**	-	(0.2)
Net book value at end of period	**26.8**	25.7	25.6

9. Property, plant and equipment

	27 November 2022	28 November 2021	29 May 2022
	£m	£m	£m
Net book value at beginning of period	**55.0**	49.8	49.8
Additions	**6.8**	8.6	16.3
Disposals	**(0.2)**	(0.1)	(0.1)
Depreciation charge	**(6.8)**	(5.7)	(11.7)
Exchange differences	**0.2**	0.3	0.5
Reclassification	**-**	-	0.2
Net book value at end of period	**55.0**	52.9	55.0

10. Right-of-use assets

	27 November 2022	28 November 2021	29 May 2022
	£m	£m	£m
Net book value at beginning of period	**48.1**	46.0	46.0
Additions	**5.7**	5.2	11.9
Disposals	**(0.1)**	-	-
Depreciation charge	**(5.9)**	(5.5)	(11.2)
Exchange differences	**0.6**	0.7	1.4
Net book value at end of period	**48.4**	46.4	48.1

11. Trade and other receivables

	27 November 2022	28 November 2021	29 May 2022
	£m	£m	£m
Trade receivables	**11.8**	11.4	8.6
Prepayments and accrued income	**14.7**	14.1	11.7
Licensing and other receivables	**26.2**	28.0	19.3
Total trade and other receivables	**52.7**	53.5	39.6

Included within prepayments and accrued income are contract assets relating to uninvoiced royalty income amounting to £2.2 million (2021: £1.3 million).

Included within licensing and other receivables is invoiced royalty income of £10.3 million (2021: £12.4 million). Also included in other receivables is a VAT receivable of £11.6 million (2021: £15.5 million) in respect of outstanding European VAT receipts following Brexit.

12. Other non-current receivables

	27 November 2022	28 November 2021	29 May 2022
	£m	£m	£m
Licensing and other receivables	**16.4**	15.2	19.4
Total other non-current receivables	**16.4**	15.2	19.4

Included within licensing and other receivables is invoiced royalty income of £14.9 million (2021: £13.7 million), being in respect of guarantee instalments due in over one year.

13. Seasonality

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

14. Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is £3.7 million (2021: £5.8 million).

15. Related party transactions

There were no related-party transactions during the period.

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