



Games Workshop Tooling Limited

Annual report and financial statements
for the year ended 2 June 2002

Registered number: 3526115



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Directors' report

For the year ended 2 June 2002

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the year ended 2 June 2002.

Principal activity

The principal activity of the company is the manufacture of tools for injection moulding.

Business review

Both the level of business and the year end financial position were satisfactory and the directors expect the present level of activity will continue in the foreseeable future.

Results and dividends

The audited financial statements for the year ended 2 June 2002 are set out on pages 7 to 16. The loss for the year after taxation was £133,000 (2001 profit of £39,000).

The directors do not recommend the payment of a final dividend (2001 - £nil).

Directors and their interests

The directors who served during the year, and subsequently, were as follows:

T P Ardener

S James

M Sherwin

No director had any beneficial interest in the shares of the company at 2 June 2002.

The interests of M Sherwin in the shares of the ultimate parent company, including details of share options held, are disclosed in the consolidated financial statements of Games Workshop Group PLC.

The interests of S James in the shares of the ultimate parent company, including details of share options held, are disclosed in the financial statements of Games Workshop Limited.

The interests of T P Ardener in the shares of the ultimate parent company, Games Workshop Group PLC, are as follows:

	Ordinary shares of 5p each	
	2002 Number	2001 Number
T P Ardener	-	3,851

Directors' report (continued)

Directors and their interests (continued)

Share options in existence at the end of the year over ordinary shares of 5p each in the ultimate parent company are as follows:

	3 June 2001 Number	Granted* Number	2 June 2002 Number	Exercise dates		Exercise price
				Commence- ment	Expiry	
T P Ardener						
Share options	3,390	-	3,390	Feb 2003	Feb 2010	295p
	7,092	-	7,092	Aug 2003	Aug 2010	141p
Sharesave scheme	4,130	-	4,130	Nov 2003	Apr 2004	106p
	-	1,569	1569	Nov 2004	Apr 2005	338p

*Number of options granted during the year, or already held on appointment as a director.

The share options above with exercise prices of 106p and 338p were granted under the Games Workshop Group PLC 1995 Sharesave Scheme. All of the remaining options were granted under the Games Workshop Group PLC Executive Share Option Scheme.

Employees

The company's policy is to consult and discuss with employees, at meetings, matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

The company operates employee sharesave schemes as a means of further encouraging the involvement of employees in the company's performance.

The company's policy is to consider, for recruitment, disabled workers for those vacancies that they are able to fill. All necessary assistance with training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

The company's policy is to achieve and maintain a high standard of health and safety and the active involvement of employees in all matters of health and safety is encouraged.

Directors' report (continued)

Creditor payment policy

The company's current policy concerning the payment of the majority of its trade creditors is to follow the DTI's Prompt Payment Code. For other suppliers, the company's policy is to:

- settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception.

The number of days credit taken by the company from its suppliers at the year end is 37 days (2001 – 33 days).

Auditors

The directors will place a resolution before the Annual General Meeting to appoint Deloitte & Touche as auditors for the ensuing year.

Willow Road
Lenton
Nottingham
NG7 2WS

By order of the Board



M Sherwin

Director

29 July 2002

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the shareholders of Games Workshop Tooling Limited

We have audited the financial statements of Games Workshop Tooling Limited for the year ended 2 June 2002 which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

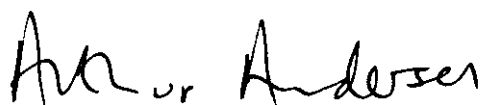
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 2 June 2002 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads "Arthur Andersen". The signature is written in a cursive, flowing style.

Arthur Andersen

Chartered Accountants and Registered Auditors

Four Brindleyplace
Birmingham
B1 2HZ

29 July 2002

Profit and loss account
For the year ended 2 June 2002

	Notes	2002 £'000	2001 £'000
Turnover	1	609	450
Cost of sales		<u>(392)</u>	<u>(261)</u>
Gross profit		217	189
Administrative expenses		<u>(341)</u>	<u>(137)</u>
Operating (loss) profit		(124)	52
Interest receivable and similar income		<u>2</u>	<u>4</u>
(Loss) profit on ordinary activities before taxation	2	(122)	56
Tax (loss) on profit on ordinary activities	5	<u>(11)</u>	<u>(17)</u>
(Loss) profit on ordinary activities after taxation and retained			
(loss) profit for the year	12	<u>(133)</u>	<u>39</u>

There are no recognised gains or losses in either year other than the (loss) profit for that year.

Turnover and operating (loss) profit derive entirely from continuing activities.

In both years there was no difference between the (loss) profit on ordinary activities before taxation and the retained (loss) profit for the year and their respective historical cost equivalents.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

2 June 2002

	Notes	2002 £'000	2001 £'000
Fixed assets			
Tangible assets	6	125	124
Current assets			
Stocks	7	57	94
Debtors	8	129	61
Cash at bank and in hand		116	98
		302	253
Creditors: Amounts falling due within one year	9	(137)	(113)
Net current assets		165	140
Total assets less current liabilities		290	264
Provisions for liabilities and charges	10	(166)	(7)
Net assets		124	257
Capital and reserves			
Called-up share capital	11	50	50
Profit and loss account	12	74	207
Equity shareholders' funds	13	124	257

The financial statements on pages 7 to 16 were approved by the board of directors and signed on its behalf by:

M Sherwin

Director



29 July 2002

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

2 June 2002

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are drawn up for the 52 weeks ended 2 June 2002 and for the 53 weeks ended 3 June 2001.

The company is exempt from the requirement of Financial Reporting Standard 1 "Cash flow statements" to present a cash flow statement because it is a wholly owned subsidiary of Games Workshop Group PLC which prepares publicly available consolidated financial statements that incorporate the results of the company.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Plant and equipment	- 20% to 33%
Motor vehicles	- 33%
Fixtures and fittings	- 15% to 33%

Stocks

Stocks are valued at the lower of cost and net realisable value. In respect of finished goods, cost includes appropriate production overheads. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts.

Statement of accounting policies
2 June 2002

Taxation (continued)

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension costs

The company participates in the Games Workshop Group PLC group personal pension plan, which is a defined contribution scheme. Pension contributions are charged to the profit and loss account as they accrue.

Notes to the financial statements

2 June 2002

1 Turnover

Turnover consists entirely of sales made in the United Kingdom.

2 (Loss) profit on ordinary activities before taxation

(Loss) profit on ordinary activities before taxation is stated after charging:

	2002 £'000	2001 £'000
Depreciation of owned tangible fixed assets	25	18
Auditors' remuneration for audit services	<u>2</u>	<u>2</u>

Amounts payable to Arthur Andersen by the company in respect of non-audit services were £nil (2001 - £nil).

3 Staff costs

The average monthly number of employees (including executive directors) was:

	2002 Number	2001 Number
Production	11	13
Administration	<u>4</u>	<u>4</u>
	<u>15</u>	<u>17</u>

Their aggregate remuneration comprised:

	2002 £'000	2001 £'000
Wages and salaries	478	282
Social security costs	29	27
Other pension costs (see note 15)	<u>14</u>	<u>10</u>
	<u>521</u>	<u>319</u>

Notes to the financial statements (continued)

4 Directors' remuneration

Remuneration

	2002 £'000	2001 £'000
Emoluments	83	72
Company contributions to money purchase schemes	4	3
	<u>87</u>	<u>75</u>

The services of S James and M Sherwin are provided by other group undertakings. No part of their remuneration is specifically attributed to their services to Games Workshop Tooling Limited.

Pensions

The number of directors who were members of pension schemes and also remunerated by the company was as follows:

	2002 Number	2001 Number
Money purchase schemes	<u>1</u>	<u>1</u>

5 Tax on (loss) profit on ordinary activities

The tax charge comprises:

	2002 £'000	2001 £'000
Current tax		
UK corporation tax charge	10	15
Deferred tax		
Origination and reversal of timing differences	<u>1</u>	<u>2</u>
Tax on (loss) profit on ordinary activities	<u>11</u>	<u>17</u>

Notes to the financial statements (continued)

5 Tax on (loss) profit on ordinary activities (continued)

The difference between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2002 £'000	2001 £'000
(Loss) profit on ordinary activities before taxation	(122)	56
(Loss) profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(37)	17
Effects of:		
- capital allowances for year in excess of depreciation	(1)	(2)
- expenses not deductible for tax purposes	48	-
Current tax charge for the year	10	15

6 Tangible fixed assets

	Plant, equipment and vehicles £'000	Fixtures and Fittings £'000	Total £'000
Cost			
At 4 June 2001	133	31	164
Additions	26	-	26
At 2 June 2002	159	31	190
Depreciation			
At 4 June 2001	30	10	40
Charge for the year	18	7	25
At 2 June 2002	48	17	65
Net book value			
At 2 June 2002	111	14	125
At 3 June 2001	103	21	124

7 Stocks

	2002 £'000	2001 £'000
Raw materials and consumables	9	11
Work in progress	48	83
	57	94

There is no material difference between the balance sheet value of stocks and their replacement cost.

Notes to the financial statements (continued)

8 Debtors

	2002 £'000	2001 £'000
Amounts falling due within one year:		
Trade debtors	1	2
Amounts owed by group undertakings	120	50
Other debtors	8	8
Prepayments and accrued income	-	1
	<u>129</u>	<u>61</u>

9 Creditors: Amounts falling due within one year

	2002 £'000	2001 £'000
Trade creditors	15	16
Amounts owed to group undertakings	3	2
Corporation tax	6	10
Other taxation and social security	9	7
Accruals and deferred income	104	78
	<u>137</u>	<u>113</u>

10 Provisions for liabilities and charges

	Employee share options £'000	Deferred tax liability £'000	Total £'000
At 4 June 2001	-	7	7
Charged to profit and loss account	158	1	159
At 2 June 2002	<u>158</u>	<u>8</u>	<u>166</u>

Deferred tax provided can be analysed over the following timing differences:

	Provided	
	2002 £'000	2001 £'000
Accelerated capital allowances	<u>8</u>	<u>7</u>

Notes to the financial statements (continued)

11 Called-up share capital

	2002 £'000	2001 £'000
<i>Authorised, allotted, called-up and fully-paid</i>		
50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

12 Reserves

	Profit and loss account £'000
At 4 June 2001	207
Retained loss for the year	<u>(133)</u>
At 2 June 2002	<u>74</u>

13 Reconciliation of movements in shareholders' funds

	2002 £'000	2001 £'000
(Loss) profit for the year	<u>(133)</u>	<u>39</u>
Net movement in shareholders' funds	(133)	39
Opening shareholders' funds	<u>257</u>	<u>218</u>
Closing shareholders' funds	<u>124</u>	<u>257</u>

14 Financial commitments

a) Capital commitments

The company had no capital commitments at either year end.

b) Lease commitments

The company had no annual commitments under non-cancellable operating leases at either year end.

15 Pension arrangements

The company makes contributions to the Games Workshop Group PLC group personal pension plan, which is a defined contribution scheme. The pension cost charge for the year amounted to £14,000 (2001 - £10,000).

16 Contingent liabilities

The company has guaranteed the bank overdraft and loans of certain other group undertakings. The aggregate amounts outstanding under these arrangements at the balance sheet date was £2,500,000 (2001 - £nil).

Notes to the financial statements (continued)

17 Related party disclosures

In accordance with the exemption permitted by Financial Reporting Standard 8 "Related party disclosures", related party transactions between members of the group, headed by Games Workshop Group PLC, are not disclosed as more than 90% of the company's voting rights are controlled within the group and consolidated financial statements, which incorporate the results of the company, are publicly available.

18 Ultimate parent company and controlling party

The company is a wholly owned subsidiary of Games Workshop Group PLC. The directors regard Games Workshop Group PLC, a company registered in England and Wales, as the ultimate parent company and controlling party.

Games Workshop Group PLC is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of group financial statements are available from The Secretary, Games Workshop Group PLC, Willow Road, Lenton, Nottingham, NG7 2WS.