



**Games Workshop Interactive Limited
(formerly Cogkiosk Limited)**

Annual report and financial statements
for the seventeen month period ended 2 June 2002

Registered number: 4140413



Directors' report (continued)

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

Principal activity

The principal activity of the company is to be a holding company for a computer game development subsidiary of Games Workshop Group.

Incorporation

The company was incorporated as Cogkiosk Limited on 12 January 2001, with authorised share capital of 1,000 ordinary shares of £1 each, and issued 1 ordinary share of £1 at par, to Games Workshop Group PLC.

Change in name and accounting reference date

On 21 February 2001, the company changed its name to Games Workshop Interactive Limited. On 7 November 2001, the company changed its accounting reference date to 31 May, to be consistent with the Games Workshop Group. Consequently, these financial statements have been prepared for the seventeen month period ended 2 June 2002.

Business review and results

The company has not traded on its own account during the period and consequently has made neither a profit or loss.

The audited financial statements for the period ended 2 June 2002 are set out on pages 6 to 9.

The directors do not recommend the payment of a dividend.

Directors and their interests

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

M Sherwin (appointed 28 March 2001)

A Jones (appointed 6 June 2001)

K Lewington (appointed 12 January 2001, resigned 28 March 2001)

A Jones had the following beneficial interest in the shares of the company at 2 June 2002.

	Ordinary shares of 5p each
	2002 Number
A Jones	1,804

No other 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 shown in the consolidated financial statements of Games Workshop Group PLC.

Directors' report (continued)

Directors and their interests (continued)

The interests of A Jones in the shares of the ultimate parent company, Games Workshop Group PLC, are as follows:

	Granted* Number	Lapsed Number	2 June 2002 Number	Exercise dates		Exercise price
				Commence- ment	Expiry	
A Jones						
Share options	3,154	-	3,154	Sept 1997	Sept 2004	115p
Sharesave scheme	1,718	-	1,718	Nov 2003	Apr 2004	106p
	859	-	859	Nov 2004	Apr 2005	338p
Share incentive plan	11,782	-	11,782	Jun 2005	-	-

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

The share options above with an exercise price of 106p and 394p were granted under the Games Workshop Group PLC 1995 Sharesave Scheme. All of the remaining share options were granted under the Games Workshop Group PLC Executive Share Option Scheme and the Games Workshop Group PLC Worldwide Executive Share Option Scheme.

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 period 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 Interactive Limited (formerly Cogkiosk Limited)

We have audited the financial statements of Games Workshop Interactive Limited (formerly Cogkiosk Limited) for the seventeen month period ended 2 June 2002 which comprise the balance sheet and the related notes numbered 1 to 9. 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 circumstances of the company, 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 at 2 June 2002 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

Balance sheet

2 June 2002

	Notes	2002 £
Fixed assets		
Investments	2	<u>9,125</u>
Current assets		
Cash at bank and in hand		<u>1</u>
Creditors: Amounts falling due within one year	3	<u>(9,125)</u>
Net current liabilities		<u>(9,124)</u>
Net assets		<u>1</u>
Capital and reserves		
Called-up share capital	5	<u>1</u>
Equity shareholders' funds		<u>1</u>

The financial statements on pages 6 to 9 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 period, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 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. The company is also, on this basis, exempt from the requirement of Financial Reporting Standard 1 "Cash flow statements" to present a cash flow statement.

Investments

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

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 financial 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 financial statements.

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.

Notes to the financial statements

2 June 2002

1 Directors' remuneration

The directors did not receive any remuneration in respect of their services to Games Workshop Interactive Limited.

2 Fixed asset investments

	2002 £
Subsidiary undertaking	<u>9,125</u>

During the period, the company acquired a 71% interest in Warhammer Online Limited, for consideration of £9,125 satisfied by cash.

The investment in the subsidiary undertaking is as follows:

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares held	Principal business activity
Warhammer Online Limited	England	£1 ordinary	71.25%	Design and development of a
	and Wales	£1 preference	100%	multi player computer game

3 Creditors: Amounts falling due within one year

	2002 £
Amounts due to group undertakings	<u>9,125</u>

4 Provisions for liabilities and charges

The company had no provided or unprovided deferred tax at the period end.

5 Called-up share capital

	2002 £
<i>Authorised</i>	
1,000 ordinary shares of £1 each	<u>1,000</u>
<i>Allotted, called-up and fully-paid</i>	
1 ordinary share of £1 each	<u>1</u>

On incorporation, the company issued 1 ordinary share of £1 at par to Games Workshop PLC.

Notes to the financial statements

2 June 2002

6 Financial commitments

a) Capital commitments

The company had no capital commitments at the period end.

b) Lease commitments

The company had no annual commitments under non-cancellable operating leases at the period end.

7 Contingent liabilities

The company has guaranteed the bank overdrafts and loans of certain other group undertakings. The aggregate amount outstanding under these arrangements at the balance sheet date was £2,500,000.

8 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 are publicly available.

9 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 the group financial statements are available from The Secretary, Games Workshop Group PLC, Willow Road, Lenton, Nottingham, NG7 2WS.