

Codemasters Group Holdings Limited

Annual Report and Accounts

for the period ended 2 April 2022

Registered number 06123106



Codemasters Group Holdings Limited

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Codemasters Group Holdings Limited

Strategic Report for the period ended 2 April 2022

Principal Activities

The principal activity of Codemasters Group Holdings Limited (the Company) is an investment holding company. There have not been any significant changes in the Company's principal activities in the period under review. The Directors are not aware, at the date of this report, of any likely changes in the Company's activities in the next period.

Business Review and Key Performance Indicators

The Directors remain confident about the prospects for the business going forward.

The financial statements cover the period 4 April 2021 to 2 April 2022, with prior fiscal period being the period 1 April 2020 to 3 April 2021.

During the period, the Company incurred non-recurring costs as follows:

- Write off of investment in a subsidiary being liquidated £21.6 million (2021: £nil)
- Buyout of deferred contingent consideration in respect of the acquisition of Slightly Mad Studios Limited £3.5 million (2021 : £nil)

The Directors have reviewed the carrying value of its investment in Slightly Mad Studios Pte Ltd ("SMS Pte"), due to the forecast losses within its group.

The Company received dividends from subsidiaries in the year totalling £436,787,000 (2021: £nil)

The results after tax amount to a profit of £411,499,000 (2021 : loss of £13,348,000)

Net assets of the Company decreased in the period by £24,419,000 to £44,544,000 (2020 : £68,963,000) largely due to the write off of the investment in a liquidated subsidiary and the buyout of the deferred contingent consideration as noted above along with a dividend of £435,919,000 paid in the period.

The Company also went through a capital reduction programme in the year, converting its Share Premium, Merger Reserve and all but 100 ordinary shares into the Profit and Loss account.

During the period, there was group restructuring with one direct and one indirect subsidiary ceasing to trade and three subsidiaries undergoing an IP buy in generating significant profits on disposals to sister companies.

During the period, the Company received dividends from subsidiaries arising from the proceeds of intra entity sales of intellectual property rights representing proceeds and on the liquidation of a subsidiary. The dividends received from the sale of intellectual property rights were immediately paid onwards to the Company's parent undertaking.

Ownership of five indirect subsidiaries which claim Video Games Tax Relief were transferred to a sister company.

Going Concern Review

The principal activity of the Company is an investment holding company and therefore, it has no day-to-day cash requirements.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to meet its liabilities for the foreseeable future, being no less than 12 months from the date of the signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Key Risks and Uncertainties

As a holding company, the only risk is the carrying value of the investment in subsidiary undertakings. The Company manages this risk by its Directors being actively involved in the day to day running of those subsidiaries.

Codemasters Group Holdings Limited

Strategic Report for the period ended 2 April 2022 (continued)

Section 172 Statement

In compliance with section 172 of the Companies Act 2006, the Directors recognise the importance of engagement with all stakeholders and the impact this has on the Company's long-term success. Through the presentations, discussions and reviews throughout the period, the Board is able to ensure that the Company maintains an effective working relationship with its stakeholders and shareholder. Senior management disseminates updates and engagement with the wider business and partners providing insights into the Company's activities and initiatives.

The Directors maintain face to face dialogue with key stakeholders on a regular basis.

Environment and the wider community are important considerations. As detailed below, the Group has its own solar panels. Codemasters has joined #RaiseTheGame to demonstrate its commitment to the wider community and its desire to be seen to be maintaining a reputation for high standards of business conduct and acting ethically and with integrity in all it does.

The Company builds strong business relationships with its suppliers and customers alike without whom the Company would not be able to operate. The Company's ethos is to invest time to foster relationships to ensure that all parties thrive from the relationships. The Company acts with integrity in its dealings.

Post Balance Sheet Events

The Directors are not aware of any events post 2 April 2022 that require disclosure in these financial statements.

Approved by the Board and signed on its behalf by



D Chan

Director

Date: 03 AUG 2022

Codemasters Group Holdings Limited

Directors' Report for the period ended 2 April 2022

The Directors present their report together with the audited financial statements of the Company for the period ended 2 April 2022.

Business review, future developments, s172 and key risks and uncertainties

Please refer to the Strategic Report on pages 1 and 2 for a review of performance, the likely future developments of the Company and a discussion of the Company's principal risks and uncertainties and how they are mitigated.

Results and dividends

Company profit after tax is £411.5 million (2021: loss of £13.3 million).

The Directors paid a dividend in the period of £435.9 million and do not recommend payment of any further dividends (2020: £nil).

Directors

The Directors of the Company who were in office during the period and up to the date of signing the financial statements were:

F Sagnier (resigned 30 July 2021)
R Varachia (resigned 30 July 2021)
I Bell (resigned 21 April 2021)
C Calonge (appointed 30 July 2021)
D W S Chan (appointed 30 July 2021)
M C S Webster (appointed 30 July 2021)

All Directors have Indemnity cover under Directors and Officers insurance policies, the premiums of which are paid for by The Codemasters Software Company Limited until 30 June 2021 and by Electronic Arts Limited, a sister company, thereafter.

Employees

It is the policy of the Company to encourage the employment, training and advancement of disabled persons.

Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Going concern

The Directors have reviewed the impact of COVID-19 and the wider macro-economic situation on the underlying business and its cash position and the wider group. They consider the Group to continue to be in a strong position for the foreseeable future.

Electronic Arts Inc (a group company), has confirmed it will support the company for a period of not less than one year from the date of signing. As such, the directors are satisfied the going concern basis is appropriate for the company.

Codemasters Group Holdings Limited

Directors' Report for the period ended 2 April 2022 (continued)

Streamlined Energy and Carbon Reporting (SECR)

The Group's energy consumption has been collated from the electricity bills across its three UK studios and that generated by its solar panels. The greenhouse gas emissions have been calculated using an industry standard conversion factor. The Company has no significant energy consumption which falls into Scope 1.

	Period ended 2 April 2022	Year ended 03 Apr 2021
UK energy consumption (Mwh)	450	1,844
Scope 2: (tCO2e)	85	374
tCO2e per employee	0.126	0.628

During the three-month period until the Company ceased to trade, it generated over 86Mwh from its solar panels. Due to working from home requirements owing to COVID-19 related requirements, no further investments were made during this period.

Independent Auditor

The auditor, Grant Thornton UK LLP, has indicated their willingness to continue in office and a resolution concerning their appointment will be proposed in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf by



D Chan
Director

Date: 03 AUG 2022

Codemasters Group Holdings Limited

Statement of Directors Responsibilities for the period ended 2 April 2022

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board and signed on its behalf by



D Chan
Director

Date: 03 AUG 2022

Independent auditor's report to the members of Codemasters Group Holdings Limited

Opinion

We have audited the financial statements of Codemasters Group Holdings Limited (formerly Codemasters Group Holdings plc) (the 'Company') for the period from 4 April 2021 to 2 April 2022, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 2 April 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the Directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of Directors for the financial statements' section of this report.

Independent auditor's report to the members of Codemasters Group Holdings Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Codemasters Group Holdings Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting frameworks (FRS 101 and Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the Company operates.
- We understood how the Company is complying with relevant legal and regulatory frameworks by making enquiries of management and have corroborated our enquiries through our review of board minutes.
- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from different parts of the business to understand where it is considered there was a susceptibility of fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programs and controls that the entity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Our audit procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business and enquiries of management. In addition, we completed audit procedures to conclude on the compliance of disclosures in the Annual Report and Accounts with applicable financial reporting requirements.

Independent auditor's report to the members of Codemasters Group Holdings Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the Company including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the applicable statutory provisions
 - the Company's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the Company's compliance with regulatory requirements and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Philip Sayers

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Leicester

Date 3 Aug 2022

Codemasters Group Holdings Limited

Income Statement for the period ended 2 April 2022

	Note	Period ended 2 April 2022 £000	Period ended 3 April 2021 £000
Administrative expenses		-	(2)
Non-recurring items	5	(25,177)	(13,798)
Operating (loss)		(25,177)	(13,800)
Dividends received from subsidiaries		436,787	-
Profit/(loss) before interest and taxation		411,610	(13,800)
Interest receivable and similar income	7	56	452
Interest payable and similar charges	8	(167)	-
Net interest (payable)/receivable		(111)	452
Profit/(loss) on ordinary activities before taxation		411,499	(13,348)
Tax charge on ordinary activities	9	-	-
Profit/(loss) and total comprehensive income for the year		411,499	(13,348)

All of the activities of the company are from continuing operations.

Codemasters Group Holdings Limited

Statement of Financial Position as at 2 April 2022

	Note	2 April 2022 £000	3 April 2021 £000
Fixed assets			
Investments	10	46,927	68,576
		46,927	68,576
Current assets			
Trade and other receivables	11	896	446
Cash and cash equivalents		518	-
Current liabilities			
Trade and other payables	12	(3,797)	(59)
Net current (liabilities)/assets		(2,383)	387
Net assets		44,544	68,963
Capital and reserves			
Called up share capital	13	-	1,564
Share premium		-	39,680
Merger reserve		-	7,594
Profit and loss account		44,544	20,125
Total shareholder's surplus		44,544	68,963

The Financial Statements on pages 10 to 22 were authorised and approved by the Board of Directors on 01 AUG 2022 and were signed on its behalf by:



D Chan
Director

Date: 03 AUG 2022

The notes on pages 13 to 22 form part of these Financial Statements

Codemasters Group Holdings Limited

Statement of Changes in Equity for the period ended 2 April 2022

	Called up share capital £000	Share premium account £000	Merger Reserve £000	Other Reserve £000	Profit and loss account £000	Total equity £000
At 31 March 2020	1,513	94,116	3,865	2,378	28,820	70,692
Loss for the period and total comprehensive income	-	-	-	-	(19,948)	(19,948)
Transactions with owners:						
Issue of 1,038,498 ordinary shares of 1p to the vendors of SMS	11	-	3,729	-	-	3,740
Issue of 100,798 ordinary shares of 1p each for employee exercise of options	1	203	-	-	-	204
Issue of 8,901,258 ordinary shares of 1p each for employee exercise of options on takeover	39	5,361	-	-	-	5,400
Share based payments charge	-	-	-	2,275	-	2,275
Transfer	-	-	-	(4,659)	4,653	-
Total from transactions with owners	51	5,564	3,729	(2,378)	4,653	11,619
At 3 April 2021	1,564	99,680	7,594	-	20,125	68,963
Profit for the period and total comprehensive income	-	-	-	-	411,499	411,499
Transactions with owners:						
Dividend paid June 2021	-	-	-	-	(495,919)	(495,919)
Capital reduction June 2021	(1,564)	(39,680)	(7,594)	-	48,839	-
Total from transactions with owners	(1,564)	(39,680)	(7,594)	-	(387,080)	(495,919)
At 2 April 2022	0	-	-	-	44,544	44,544

As part of the takeover by Electronic Arts Inc in the prior year, all outstanding share options were vested and exercised. Accordingly, the share option reserve, disclosed as 'Other Reserves' above was transferred to the 'Profit and Loss Account'.

Codemasters Group Holdings Limited

Notes to the Company Financial Statements for the period ended 2 April 2022

1 General information

Codemasters Group Holdings Limited (formerly Codemasters Group Holdings plc) ('the Company') is a private limited company limited by shares incorporated and domiciled in England and Wales. Until the acquisition of the Company by Codex Games Limited, a subsidiary of Electronic Arts Inc, on 18 February 2021, the Company was a public company with its shares traded on AIM.

The Registered Number is 06123106 and the Registered Office is Codemasters Campus, Stoneythorpe, Southam, Warwickshire, CV47 2DL. A list of the Company's subsidiaries is presented in note 9 to the financial statements.

The principal activity of the Company is that of an investment holding company.

2 Accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101), on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable Accounting Standards in the UK. The principal accounting policies, which have been applied consistently to all the periods presented are set out below.

The financial statements of the Company are prepared in Sterling, which have been rounded to the nearest £000.

The financial statements cover the period 4 April 2021 to 2 April 2022, with prior period being 1 April 2020 to 3 April 2021.

The Directors have reviewed the impact of COVID-19 and the wider macro-economic situation on the underlying group's business and consider the Company to continue to be in a strong position for the foreseeable future.

Electronic Arts Inc (a group company), has confirmed it will support the Group for a period of not less than one year from the date of signing. As such, the directors are satisfied the going concern basis is appropriate for the company.

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

A number of exemptions from the requirements in IFRS have been applied in the preparation of these financial statements, in accordance with FRS101:

- to prepare a statement of cash flows (and related notes to the statement of cash flows);
- to produce a Statement of Financial Position at the beginning of the earliest comparative period;
- the requirements under IAS 1 to provide capital management disclosures;
- the requirement under IAS 24 related party disclosures to disclose related party transactions entered into between two or more members of the Group as they are wholly owned within the Group;
- the requirement under IAS 24 to disclose key management personnel compensation;
- disclosures in respect of Standards in issue not yet effective; and
- the requirements under IAS 1 to present a reconciliation for the number of shares outstanding at the beginning and end of the period;

Codemasters Group Holdings Limited

Notes to the Company Financial Statements for the period ended 2 April 2022 (continued)

2 Accounting policies (continued)

Basis of preparation (continued)

The parent Company has taken the merger relief that is required by s162 of The Companies Act 2006 in respect of the fair value of the consideration received in excess of the nominal value of the equity shares issued in connection with the acquisition of Slightly Mad Studios Pte Ltd.

Consolidation

The Company has taken advantage of the exemption provided by Section 401 of the Companies Act 2006 not to prepare consolidated financial statements, because the Company is included in the consolidated financial statements of its ultimate parent company, Electronic Arts Inc (registered address: 209 Redwood Shores Parkway, Redwood City, CA 94065). Those consolidated financial statements are publicly available. Accordingly, these financial statements present information about the Company as an individual undertaking and not as a Group.

Non-recurring items

Items that are non-recurring in nature and of a significant size are considered to be appropriate to be classed as 'non-recurring items'. Any such items are presented separately on the face of the Income Statement to highlight them to the user of the Financial Statements.

Dividends

During the period, the Company received dividends from subsidiaries arising from the proceeds of intra entity sales of intellectual property rights representing proceeds and on the liquidation of a subsidiary. The dividends received from the sale of intellectual property rights were immediately paid onwards to the Company's parent undertaking. In the event that a dividend is approved by the Company's shareholders, it will be recognised as a liability in the Company's financial statements in the period in which it has been approved.

Investments

Investments in Group undertakings are stated at cost. Prior to the end of each reporting period the carrying amount of investments are reviewed for impairment. Where the forecast cash generation or underlying net asset values of the investments in Group undertakings are less than the cost of the investment and impairment is recognised immediately in the Income Statement.

Financial assets and liabilities

Financial assets and liabilities are recognised on the date on which the Company becomes a party to the contractual provisions of the instrument giving rise to the asset or liability. Any impairment of a financial asset is charged to the Income Statement when incurred. Financial assets are derecognised when the Company's rights to cash inflows from the asset expire. Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

The principal financial assets and liabilities are measured as follows:

- 'Amounts due from related undertakings' – these relate to balances due from other directly/indirectly held subsidiaries. These are short-term financial assets driven by transactions within the Group. Subsequent to initial recognition, these balances are included in the Statement of Financial Position at cost less any amounts written off or provided when there is evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable. Changes in carrying amounts are recognised in the Income Statement within other administrative expenses.
- 'Cash and cash equivalents' – these comprise deposits with an original maturity of three months or less with banks and financial institutions, bank balances, bank overdrafts and cash in hand.

Codemasters Group Holdings Limited

Notes to the Company Financial Statements for the period ended 2 April 2022 (continued)

2 'Accounting policies (continued)

Financial assets and liabilities (continued)

- Amounts due to related undertakings' – these relate to balances due to other directly/indirectly held subsidiaries or the majority shareholder in the Company. These are short-term financial liabilities driven by transactions within the Group. If the arrangements of an instrument include an amount financed at a rate of interest, then the interest element is charged to the Income Statement in line with the specified criteria in the applicable contract.

Current taxation

Tax on the profit or loss for the period comprises current tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, where it would be recognised in either other comprehensive income or in equity, respectively.

Current tax is the expected payable amount arising from the taxable income in the period, using tax rates enacted or substantively enacted at the end of the applicable financial period. This amount is adjusted in respect of any adjustment to current taxes from any previous financial period.

Deferred taxation

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income.

Where there is no expectation of any brought forward tax losses being utilised by the Company in the next two financial periods, no deferred taxation asset is recognised.

Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions, the Company does not recognise deferred tax on temporary differences relating to its investments in subsidiaries.

Employee share schemes (in the prior period)

Where equity-settled share awards are made to employees of the Company's subsidiaries, the fair value of these awards are recognised as an investment in the company employing the individuals receiving the awards and a corresponding amount recognised in other reserves. These awards are accounted for in the Income Statements of the company employing the individuals.

The fair values of the options and equity awards are measured at the dates of grant, taking into account the terms and conditions upon which the awards are granted using an industry accepted simulation model. The Company uses experts to estimate the fair value of any such agreements at the grant date. The valuation is calculated using the Black Scholes Model and the Monte Carlo method for LTIP's. The fair value is recognised over the period during which employees become conditionally entitled to the awards, subject to the Company's estimate of the number of awards which will lapse, either due to employees leaving the Company prior to vesting or due to non-market-based performance conditions not being met. The total amount recognised in the Income Statement as an expense is adjusted to reflect the actual number of awards that vest.

The equity-settled share awards became fully vested and exercised as at the acquisition by Electronic Arts Inc.

Codemasters Group Holdings Limited

Notes to the Company Financial Statements for the period ended 2 April 2022 (continued)

2 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling when the transactions occur. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the period end date. All exchange differences are taken to the Income Statement, exchange differences arising on foreign currency borrowings are classified within 'interest payable and other similar charges'; all other exchange differences are classified within other administrative expenses.

Capital and reserves

The following reserves are shown within the statement of changes in equity:

- Called up share capital – called up and issued share capital of the Company. This is ordinary shares following admission to AIM. See note 14 for further details regarding the Company's issued share capital.
- Share premium account – the amount of proceeds received in consideration for called up share capital that is in excess of the nominal value of the shares purchased.
- Other reserve – an equity account comprising the historic fair value of equity settled share-based payments recognised in the subsidiary company's accounts.
- Profit and loss account – historic cumulative balance of Company's comprehensive income/expense.

3 Auditors

The audit costs for the Company are paid by The Codemasters Software Company Limited on behalf of the Company. The Company incurred non audit fees totaling £nil (2021: £278,000).

4 Staff costs and remuneration of directors

There are no employees or staff costs directly incurred by the Company.

No directors received any amounts directly in respect of qualifying services in relation to the Company. Their remuneration is paid through subsidiary companies – The Codemasters Software Company Limited until 30 June 2021 and Electronic Arts Limited thereafter.

Codemasters Group Holdings Limited

Notes to the Company Financial Statements for the period ended 2 April 2022 (continued)

5 Non-recurring costs

	Period ended 2 April 2022 £000	Period ended 3 April 2021 £000
Professional fees associated with the takeover	£	13,723
Professional fees associated with acquisition	-	75
Buy out of SMS deferred contingent consideration	3,528	-
Codemasters Software Company Limited Investment cost adjustment	57	-
Codemasters Holding Limited Investment write off	21,592	-
	25,177	13,798

6 Share based payments (in the prior period)

As part of the Company's admission to AIM on 1 June 2018, three equity-settled share options plans were created:

- ESOP scheme for all permanent employees
- NED scheme for Non-Executive Directors
- LTIP scheme for Executive Management Scheme

All of the above schemes provide individuals with options over shares in the Company. However, the employees, Directors and Senior Management are remunerated as employees/officers of subsidiary companies and as such the share-based payment charge is accounted for in the Income Statement of those companies.

The ESOP scheme is available to all employees (subject to certain criteria). The options vest one third on the first anniversary of the date of grant, and then monthly thereafter to be fully vested after three years from the date of grant.

If an employee leaves the wider Group, the options cease to vest at the date the wider Group receives their resignation. The employee can then exercise any vested options up to 6 months after leaving the wider Group.

The NED scheme has provided share options under the same terms as the ESOP scheme and the same fair value of the options would be applied as to the ESOP scheme. In the prior period share options under the NED scheme were made available to three of the Group's Non-Executive Directors who were in office during the period. There were no NEDs in office during the current period.

The LTIP scheme has both market and non-market conditions for vesting and therefore has been valued separately to the ESOP and NED schemes. The market and non-market conditions relate to the Company's share price growth and the Group's adjusted EBITDA growth respectively.

The exercise price for the LTIP scheme is £0.01 per share. No shares vest until three years after grant. The market and non-market conditions apply to 50% of the options each therefore have been considered separately.

The below table shows the movement in these shares from prior period. Further share options have been granted throughout the period to employees who met the length of service requirement at the applicable dates shown below. Due to the takeover by Electronic Arts Inc during the prior period, any outstanding share options were immediately vested and exercised on 16th February 2021.

Codemasters Group Holdings Limited

Notes to the Company Financial Statements for the period ended 2 April 2022 (continued)

6. Share based payments (continued)

	LTIP		NED		ESOP	
	Number of shares	Exercise price per share £	Number of shares	Exercise price per share £	Number of shares	Exercise price per share £
Options outstanding at 31 March 2019	1,190,000	-	560,000	-	1,253,635	-
Further options granted 1 April 2019	210,000	0.01	-	-	89,035	2.41
Further options granted 10 July 2019	-	-	-	-	175,106	2.19
Further options granted 23 October 2019	-	-	-	-	83,878	2.13
Further options granted 22 January 2020	-	-	-	-	61,929	2.90
Further options granted 10 March 2020	-	-	-	-	267,806	2.16
Options lapsed	-	-	-	-	(170,816)	-
Options exercised in year	-	-	-	-	(17,940)	-
Options outstanding at 31 March 2020	1,400,000	-	560,000	-	1,742,698	-
Further options granted 16 June 2020	-	-	-	-	24,500	4.82
Further options granted 24 November 2020	-	-	-	-	91,484	0.01
Further options granted 24 November 2020	-	-	-	-	123,631	4.82
Further options granted 24 November 2020	-	-	110,000	2.35	-	-
Options lapsed	-	-	-	-	(149,282)	-
Options exercised in year	(1,400,000)	-	(770,000)	-	(1,832,976)	-
Options outstanding at 3 April 2021	-	-	-	-	-	-
Options exercisable at 3 April 2021	-	-	-	-	-	-

7 Interest receivable and similar income

	Period ended 2 April 2022	Period ended 3 April 2021
	£000	£000
Bank and other interest	56	58
Foreign exchange profit on debtors	-	394
	56	452

8 Interest payable and similar charges

	Period ended 2 April 2022	Period ended 3 April 2021
	£000	£000
Foreign exchange loss on debtors/creditors	167	-

Codemasters Group Holdings Limited

Notes to the Company Financial Statements for the period ended 2 April 2022 (continued)

9 Tax on profit/loss on ordinary activities

a) Tax on loss on ordinary activities

	Period ended 2 April 2022 £000	Period ended 3 April 2021 £000
Current tax		
UK corporation tax	-	-
Tax charge on profit/(loss) on ordinary activities	-	-

b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	Period ended 2 April 2022 £000	Period ended 3 April 2021 £000
Profit/(loss) on ordinary activities before taxation	411,499	(13,348)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax of 19% (2020: 19%)	78,185	(2,536)
Effect of:		
Disallowed expenses	4,784	-
Non-taxable income	(82,990)	-
Group relief	21	-
Losses carried forward	-	2,536
Total current tax charge	-	-

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%.

Codemasters Group Holdings Limited

Notes to the Company Financial Statements for the period ended 2 April 2022 (continued)

10 Investments

	Investments in subsidiaries £000	Share based payments £000	Total £000
Cost			
At 4 April 2021	94,143	4,653	98,796
Disposal	(51,869)	-	(51,869)
At 2 April 2022	42,274	4,653	46,927
Impairment			
At 4 April 2021	50,220	-	50,220
Disposal	(50,220)	-	(50,220)
At 2 April 2022	-	-	-
Net book value			
At 2 April 2022	42,274	4,653	46,927
At 4 April 2021	63,923	4,653	68,576

The carrying value of the investments in subsidiaries undertaking has been reviewed at the reporting date. An impairment charge of £nil (2021: £nil), which recognises that there has been no change in the investment in subsidiaries undertaking measured against the higher of the recoverable amount or the value in use.

During the period, there was a disposal of the investment in Codemasters Holdings Limited following its liquidation.

Details of the Group's investments in which the Company held 20 percent or more of the nominal value of shares as at 2 April 2022, were as follows:

Name of Company	Class of share held	Held by the Company	Held by the Group	Nature of Business
Codemasters Holdings Limited	Ordinary	100%	100%	Intermediate holding company
Codemasters Group Limited	Ordinary	-	100%	Intermediate holding company
The Codemasters Software Company Limited	Ordinary	100%	100%	Development, marketing & Distribution of video games
Codemasters Studios Sdn Bhd	Ordinary	100%	100%	Development of video games
Codemasters Limited	Ordinary	-	100%	Dormant
Slightly Mad Studios Pte. Ltd.	Ordinary	100%	100%	Intermediate holding company
Slightly Mad Studios Limited	Ordinary	-	100%	Development of video games
IoTech Finance Sarl	Ordinary	-	100%	Intermediate holding company
IoTech Engine Limited	Ordinary	-	100%	Development of video games
IoTech Studios Limited	Ordinary	-	100%	Dormant
SMS Apollo Limited	Ordinary	-	100%	Development of video games

Codemasters Studios Sdn Bhd is incorporated in Malaysia, its principal business address is No.91-3 Jalan Metro Perdana Barat 1, Taman Usahawan Kepong, Off Jalan Kepong, Kepong, 52100 Kuala Lumpur, Malaysia.

Codemasters Group Holdings Limited

Notes to the Company Financial Statements for the period ended 2 April 2022 (continued)

10 Investments in subsidiary undertakings (continued)

Slightly Mad Studios Pte. Ltd. is incorporated in the Republic of Singapore, its principal business address is 1 Scotts Road, #21-10, Shaw Centre, Singapore 228208.

IoTech Finance Sarl is incorporated in Luxembourg, its principal business address is 153-155 Rue de Kiem, L-8030 Strassen, Grand Duchy of Luxembourg.

All of the other entities above are incorporated in England and Wales and have a principal business address of Codemasters Campus, Stoneythorpe, Southam, Warwickshire, CV47 2DL.

The Company is the owner of all of the equity share capital, either itself or through subsidiary undertakings.

On 30 June 2021, ownership of the Company's indirect investments in Codemasters Development Company Limited, Middleware Limited, SMS Virgo Limited, SMS Phoenix Limited, SMS Hydra Limited were transferred to a sister company at book value.

Share-based payments relate to the fair value of the equity-settled share options in the Company's shares that are settled by the Codemasters Software Company Limited ('CSCL') and Slightly Mad Studios Limited ('SMS'). All of the employees that have been awarded these options are employed by CSCL and SMS, with the fair value of these options recognised over the vesting period. As a result of the takeover by EA, all outstanding options immediately vested and were exercised.

11 Trade and other receivables

	2 April 2022	3 April 2021
	£000	£000
Amounts owed by Group undertakings	896	446

Amounts due from Group undertakings relate to loans or trading balances with The Codemasters Software Company Limited and Codemasters Studios Sdn Bhd, these are Sterling balances, non-interest bearing and are repayable on demand.

All of the amounts due from Group undertakings are considered recoverable.

12 Trade and other payables

	2 April 2022	3 April 2021
	£000	£000
Amounts owed to Group undertakings	3,797	59

Codemasters Group Holdings Limited

Notes to the Company Financial Statements for the period ended 2 April 2022 (continued)

13 Called up share capital

At period end date the share capital was:

	2 April 2022		3 April 2021	
		Voting Rights		Voting Rights
	£000	%	£000	%
Allotted and fully paid				
100 (2021: 156,370,177) Ordinary shares of £0.01	-	100	1,564	100
	-	100	1,564	100

During the period, the Company underwent a capital reduction programme, reducing its allotted called up and fully paid ordinary share capital from 156,370,177 to 100.

14 Financial Instruments

	2 April 2022	3 April 2021
	£000	£000
Financial assets held at amortised cost:		
Trade and other receivables	896	446
	896	446

	2 April 2022	3 April 2021
	£000	£000
Financial liabilities held at amortised cost:		
Other payables	(3,797)	(59)
	(3,797)	(59)

15 Related party transactions

The Company has taken advantage of the exemption included in IAS 24 'Related Party Disclosures' to not disclose details of transactions with Group undertakings, on the basis that it is the parent company of a Group whose accounts are publicly available (see note 17).

16 Post reporting date events

No adjusting or significant non-adjusting events have occurred between the 2 April 2022 reporting date and the date of signing of the Company financial statements.

17 Ultimate parent undertaking and controlling party

The immediate parent undertaking of the Company is Codex Games Limited, a company incorporated in England. The ultimate parent undertaking of the Company is Electronic Arts Inc ("EA"), a company incorporated in the USA and traded on NASDAQ. The largest and smallest group of undertakings for which group financial statements have been drawn up for the period ended 2 April 2022 is that headed by EA and group financial statements can be obtained from 209 Redwood Shores Parkway, Redwood City, CA 94065, USA.

Codemasters Group Holdings Limited

Company information

Registered office

Codemasters Group Holdings Ltd
Codemasters Campus
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Auditor

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