

**Rockstar Games UK Limited**

**Registered No. 03312220**

**Report and Financial Statements**

**For the year ended 31 March 2022**

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Rockstar Games UK Limited

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**Company Information**

Registered No. 03312220

**Directors**

Daniel Emerson

Rowan Hajaj

**Company secretaries**

Daniel Emerson

HAL Management Limited

**Auditors**

Ernst & Young LLP

1 More London Place

London SE1 2AF

**Business address**

Barclay House

108 Holyrood Road

Edinburgh

EH8 8AS

**Bankers**

JPMorgan Bank N.A

1 Knightsbridge

London

SW1X 7LX

**Registered office**

7 Savoy Court

London

United Kingdom

WC2R 0EX

## Rockstar Games UK Limited

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### Strategic report

The directors present their annual report on the affairs of Rockstar Games UK Limited ("the company") together with the financial statements for the year ended 31 March 2022.

#### Change of name

On 21 December 2021, the company changed its name from Rockstar North Limited to Rockstar Games UK Limited.

#### Results and dividends

The profit for the year after taxation was £93,170,605 (2021: £73,831,443) which will be transferred to reserves. No dividends have been paid or proposed (2021: £nil) in relation to the 31 March 2022 year end.

#### Principal activity, review of the business and future developments

The principal activity of the company during the year was the conception and development of entertainment software. The company is a cost plus entity, where performance is evaluated by administrative costs incurred. The company's key financial and other performance indicators during the year were as follows:

	31 March 2022	31 March 2021	Change
	£	£	
Turnover	500,391,519	331,760,185	51%
Profit on ordinary activities before taxation	12,134,099	9,471,928	28%
Average number of employees	1,461	1,320	11%

Turnover increased by over 50% due to higher employment costs during the year.

The directors do not anticipate any significant changes in the activities of the company for the foreseeable future.

#### Principal risks and uncertainties

The directors have established controls to mitigate the following risks appropriate to the size and complexity of the business.

- Foreign exchange risk

The company is subject to risks and uncertainties against the fluctuations in the values of foreign currencies against the Great British Pound (£). The risk is limited as the majority of our intercompany receivable and payable balances are denoted in GBP (£).

The company has established foreign exchange forecasting models to manage any exposure to foreign exchange fluctuations. Whilst revenue and profit reporting in GBP would be harmed by a weaker GBP, this would be partially offset by GBP investment in infrastructure and UK video game productions elsewhere in the group.

## Rockstar Games UK Limited

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### Strategic report (continued)

#### Principal risks and uncertainties (continued)

- Cash flow risk

The company has established cash forecasting models to manage cash flow. The company's policy is to ensure continuity through effective management of its current assets and liabilities. The company can access funds from its parent company, if required, to ensure the company has sufficient resources available to support operations.

- Inflation risk

Currently the UK is experiencing a period of economic uncertainty. High inflation coupled with a fall in real wages is impacting much of the population's disposable income. The economic forecast suggests that the situation will continue. A rise in inflation will increase the administrative expenses for Rockstar Games UK Limited. However, as a cost-plus entity there is minimal impact and no risk to the company.

- Laws and regulation risk

The company is subject to a variety of laws and regulations. The company could incur significant costs to comply with new laws or regulations or substantial penalties or other liabilities if it fails to comply with them. Compliance with new laws or regulations could also cause the company to change or limit its business practices in a manner that is adverse to its business.

- Cybersecurity risk

In September 2022, the company experienced a network intrusion in which an unauthorized third party illegally accessed and downloaded confidential information from its systems, including early development footage for the next Grand Theft Auto. The company immediately took steps to isolate and contain the incident. The company did not experience and does not anticipate any disruption to its current services nor any long-term effect on its development timelines as a result of this incident. The company is in the process of implementing a variety of measures to further enhance our cybersecurity protections.

Cyber security issues are increasing as individuals and groups become more intelligent with their means of accessing confidential company data and attacking systems. The result of cyber attacks can damage our company's reputation or have a negative impact on our results. The company develops and maintains information security practices to prevent these events occurring.

## Rockstar Games UK Limited

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# Strategic report (continued)

### Section 172(1) statement

#### Introduction

Each of the directors of the company are aware of their obligation to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so to have regard (amongst other matters) to the matters set out in paragraphs (a) to (f) of Section 172(1) of the Companies Act 2006 ("Section 172(1)").

In promoting the success of the company, the directors consider that having regard to the likely consequences of any decision in the long term, the interests of the company's employees, the need to foster the company's business relationships with suppliers, customers and others, the impact of the company's operations on the community and the environment, and the company maintaining a reputation for high standards of business conduct (as set out in paragraphs (a) to (e) of Section 172(1)) are of particular importance.

Each of the policies and programmes as set out below have informed and guided the directors as to how the promotion of the success of the company for the benefit of its members as a whole should be achieved with regard to the matters set out in paragraphs (a) to (e) of Section 172(1).

#### Standards of business conduct

The directors consider that an important aspect of promoting the success of the company is their commitment to running the company's business according to high standards of ethics and integrity. That commitment begins with the company's adoption of its group policy, the Take-Two Interactive Software, Inc Global Code of Business Conduct and Ethics, which applies to all company officers and employees.

This Global Code of Business Conduct and Ethics reflects core values. It mirrors our commitment to conducting business fairly and ethically, complying with domestic and international laws, and promoting a work environment that is compassionate and inclusive, and that values honesty, openness, integrity and respect for fundamental human rights, wherever in the world we operate. As a leading developer, publisher and marketer of interactive entertainment that aims to captivate and engage audiences around the globe, strong relations with our customers, partners, suppliers, stakeholders and each other are of paramount importance.

#### The interests of the company's employees

The company recognises the importance of engaging with all employees to ensure that they are fully aligned with the objectives and values of the business; we use a variety of feedback tools such as forums, surveys and interactive town halls. Employees benefit from the success of the business through bonus schemes and group employee share schemes.

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and provide appropriate training to achieve this aim.

#### Fostering business relationships with suppliers, customers and others

The company has built and maintained relationships with investors, advisors, suppliers and all other stakeholders. The directors recognise the importance of these and take active steps to develop and strengthen them through dialogue and engagement. These relationships are monitored at board level.

In all decisions the directors have considered all stakeholders and the impact that any decision would have. The following stakeholder groups, we identified as relevant for the company.

Rockstar Games UK Limited

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## Strategic report (continued)

### Section 172(1) statement (continued)

- **Suppliers**

Suppliers are a crucial link in the overall supply chain, providing key game development and other services to allow the company to fulfil its overall functions and aims. The company is in constant interaction and two-way engagement with its suppliers and partakes in regular reviews and consistent communication to ensure that the goals, messaging and direction undertaken are aligned between the company and the supplier. We aim to pay all suppliers promptly.

- **Shareholders**

The board consistently engages with the ultimate parent company to ensure that all key decisions and actions that are taken are aligned with the goals and objectives of the parent company and group as a whole.

- **Customers**

Consistent and interactive engagement with customers drives alignment of both goals and strategic partnerships, targeting business sustainability, growth and profitability. There is regular engagement with customers to set and maintain both short-, medium- and long-term goals and to maintain and develop relationships.

- **Regulators / government**

We play an active part in key topics and developments for our industry. This is mainly achieved in the UK through membership of all key trade associations. In the UK this is via Ukie (UK Interactive Entertainment Association) and more information on their activities and current projects can be found via their website.

### The impact of the company's operations on the community and environment

Community engagement is recognised as important to employees and communities in which the company operates. The company sponsors a Benevity Charitable Giving scheme where the company matches employees donations to a charity of their choice.

This report was approved by the Board and signed on its behalf by:

DocuSigned by:

*Daniel P. Emerson*

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07 December 2022

**Daniel Emerson**  
**Director**

## Rockstar Games UK Limited

### Directors' report

The directors present their Directors' report and financial statements for the year ended 31 March 2022.

#### Results and dividends

The results are outlined in the Strategic report on page 2.

#### Employee engagement

The directors have chosen, in accordance with section 414C(11) of the Companies Act 2006 (the "Act"), to include in the Strategic report matters relating to the company's engagement with employees, (as would otherwise be required by regulations made under section 416(4) of the Act to be disclosed in the Directors' Report) on the basis that the directors consider such matters to be of strategic importance to the company.

#### Streamlined Energy and Carbon Reporting (SECR)

This report outlines Rockstar Games UK Limited's greenhouse gas (GCG) and energy usage for the year ending 31 March 2022 as required by and, in accordance with, the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

	31 March 2022	31 March 2021
Energy consumption used to calculate emissions (kWh)	9,551,117	8,504,833
Emissions from combustion of gas (Scope 2) tCO <sub>2</sub> e	561.15	611.33
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) tCO <sub>2</sub> e	0.92	0.77
Emissions from purchased electricity (Scope 2, location-based) tCO <sub>2</sub> e	1,251.80	1,206.94
Total gross tCO <sub>2</sub> e based on above	1,813.87	1,819.04
Intensity ratio (tCO <sub>2</sub> e/floor space)	0.09	0.11

Floor space for the company amounted to 19,296 ft<sup>2</sup> (2021: 16,027 m<sup>2</sup>)

#### Reporting methodology and quantification

Rockstar Games UK Limited's approach to reporting is based on WBCSD/WRI Greenhouse Gas Protocol: a corporate accounting standard revised edition in conjunction with UK Government environmental reporting guidelines including SECR guidance. An operational control approach has been taken. UK Government greenhouse gas conversion factors for company reporting 2022 have been employed. Scope 2 emissions from purchased electricity have been calculated primarily using the location-based approach. During the financial period all of the electricity use at the Edinburgh Studios was REGO backed (renewable) electricity.

#### Energy efficiency actions

Rockstar Games UK Limited continues to implement efficiency measures in line with the company policy to reduce energy consumption and carbon footprint. For example, FCUs/condensers have been replaced for a more efficient Heat Recovery System, and further office lighting has been upgraded to LED.

#### Going concern

The directors have reviewed the current financial performance and position of the company, as well as, whether there are events or conditions that could have a material adverse impact on the company's ability to continue as a going concern for the period up to 31 December 2023. The directors believe that the company's position indicates that it has adequate resources to meet its liabilities for the foreseeable future as they fall due.

## Rockstar Games UK Limited

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### Directors' report (continued)

#### Going concern (continued)

In the unlikely event that it is not possible for the company to meet its liabilities as they fall due, due to the nature of the arrangement within the group, the company is economically dependent on the wider group. The company has obtained a letter of support from Take-Two Interactive Software Inc, the company's ultimate parent company, who has confirmed its ability and intention to provide the required financial support to the company for the period up to 31 December 2023.

The directors have considered the Take-Two Interactive Software Inc. group's financial and cash position and consider the group to continue to be in a strong position for the foreseeable future. While the group is forecasting a loss to the end of March 2023, there are group wide cash, cash equivalents, and short-term investments at 31 March 2022 of over \$2.5bn and over \$1.3bn at 30 September 2022, which would leave the group in a positive cash position in twelve months and demonstrate the underlying strength of the business group and strategy.

In light of the above and the ongoing support of Take-Two Interactive Software Inc, the company's ultimate parent company via a letter of parental support for the period up 31 December 2023, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Directors

The directors who served during the year and thereafter are as stated below:

Daniel Emerson

Rowan Hajaj

#### Statement of disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved have confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

#### Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office and in accordance with Section 487 of the Companies Act 2006, a resolution for re-appointment will be proposed at the Annual General Meeting.



## Rockstar Games UK Limited

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### Directors' report (continued)

#### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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; 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 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.

This report was approved by the Board and signed on its behalf by:

DocuSigned by:

*Daniel P. Emerson*

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07 December 2022

**Daniel Emerson**  
**Director**

Rockstar Games UK Limited

## Independent auditors' report

To the members of Rockstar Games UK Limited

### Opinion

We have audited the financial statements of Rockstar Games UK Limited for the year ended 31 March 2022 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 23, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2022 and of its profit for the year 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

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.

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 to 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated.

Rockstar Games UK Limited

## **Independent auditors' report (continued)**

To the members of Rockstar Games UK Limited

### **Other information (continued)**

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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 directors' report.

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**

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

### **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.

Rockstar Games UK Limited

## **Independent auditors' report (continued)**

To the members of Rockstar Games UK Limited

### ***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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the reporting framework (FRS 102 and the Companies Act 2006), UK tax legislation, anti-bribery regulations, employment laws and regulations, the Data Protection Act (including GDPR), and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.
- We understood how Rockstar Games UK Limited is complying with those frameworks by making enquires of management as well as those charged with governance, including those responsible for legal and compliance procedures, to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquires by reviewing supporting documentation such as the Code of Ethics, staff handbook, communications with employees, board meeting minutes, as well as considerations of the results of our audit procedures. We identified management's attitude and tone from the top to embed a culture of honesty and ethical values whereby a strong emphasis is placed on fraud prevention which may reduce opportunities for fraud to take place. The company is supported by a compliance team based in the US that monitors compliance with laws and regulations on a global level. They also have a delegate monitoring compliance at a local level and communicating any issues up to the global compliance team.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering the risk of management override of controls, performance targets and their influence on efforts made by management to manage revenue and earnings. We performed audit procedures to address each risk of management override, including tests of manual journal entries and testing specific expense transactions back to source documentation as appropriate given the entity operates under a cost-plus model, whereby revenue is a mark-up on expenses. These tests were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reviewing board meeting minutes, enquiries of management around actual and potential litigation and claims, performing analytical procedures, challenging judgements made by management including corroborating the inputs and considering contradictory evidence, and journal entry testing, with a focus on manual journals and journals indicating significant unusual transactions identified by specific risk criteria based on our understanding of the business.

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

Rockstar Games UK Limited

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## **Independent auditors' report (continued)**

To the members of Rockstar Games UK Limited

### **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.

DocuSigned by:

*Ernst & Young LLP*

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Naresh Alimchandani (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

08 December 2022

## Rockstar Games UK Limited

**Income statement****For the year ended 31 March 2022**

		<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	2	500,391,519	331,760,185
<b>Cost of sales</b>		<u>(397,231,955)</u>	<u>(262,211,162)</u>
<b>Gross profit</b>		103,159,564	69,549,023
<b>Administrative expenses</b>		<u>(91,369,902)</u>	<u>(60,149,451)</u>
<b>Operating profit</b>	3	11,789,662	9,399,572
<b>Interest receivable and similar income</b>	4	344,437	72,356
<b>Interest payable</b>	5	<u>—</u>	<u>—</u>
<b>Profit on ordinary activities before taxation</b>		12,134,099	9,471,928
<b>Tax on profit</b>	9	<u>81,036,506</u>	<u>64,359,515</u>
<b>Profit for the year</b>		<u><u>93,170,605</u></u>	<u><u>73,831,443</u></u>

Results of the current and prior years arise solely from continuing operations.

**Statement of comprehensive income****For the year ended 31 March 2022**

There are no other sources of comprehensive income/(losses) other than the profit of £93,170,605 attributable to the shareholders in the year ended 31 March 2022 (2021: profit of £73,831,443).

## Rockstar Games UK Limited

**Statement of financial position**

As at 31 March 2022

	Notes	31 March 2022 £	31 March 2021 £
<b>Non-current assets</b>			
Intangible assets	10	829	30,215
Tangible assets	11	12,637,661	7,033,470
Debtors: amounts falling due after one year	13	126,950,588	66,542,181
Deferred tax	14	1,544,765	926,742
		<u>141,133,843</u>	<u>74,532,608</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	187,122,391	140,472,123
Cash at bank		3,418,221	23,259,347
		<u>190,540,612</u>	<u>163,731,470</u>
Creditors: amounts falling due within one year	15	(9,823,817)	(10,927,155)
<b>Net current assets</b>		<u>180,716,795</u>	<u>152,804,315</u>
<b>Total assets less current liabilities</b>		<u>321,850,638</u>	<u>227,336,923</u>
Creditors: amounts falling due after more than one year	16	(5,488,318)	(4,145,208)
<b>Net assets</b>		<u><u>316,362,320</u></u>	<u><u>223,191,715</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	1	1
Other reserves	19	15,033,184	15,033,184
Profit and loss account		<u>301,329,135</u>	<u>208,158,530</u>
<b>Total equity shareholders' funds</b>		<u><u>316,362,320</u></u>	<u><u>223,191,715</u></u>

These financial statements were approved by the Board of Directors and are signed on its behalf by:

DocuSigned by:

Rowan Hajaj

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05 December 2022

Rowan Hajaj  
Director

## Rockstar Games UK Limited

**Statement of changes in equity**

For the year ended 31 March 2022

	Called up Share Capital £	Profit and Loss Account £	Other Reserves £	Total £
<b>At 1 April 2020</b>	1	134,327,087	15,033,184	149,360,272
Profit for the year	—	73,831,443	—	73,831,443
Distribution	—	—	—	—
<b>At 31 March 2021</b>	<b>1</b>	<b>208,158,530</b>	<b>15,033,184</b>	<b>223,191,715</b>
<b>At 1 April 2021</b>	1	208,158,530	15,033,184	223,191,715
Profit for the year	—	93,170,605	—	93,170,605
Distribution	—	—	—	—
<b>At 31 March 2022</b>	<b>1</b>	<b>301,329,135</b>	<b>15,033,184</b>	<b>316,362,320</b>



Rockstar Games UK Limited

## Notes to the financial statements

For the year ended 31 March 2022

### 1. Accounting policies

#### a) *Statement of compliance*

Rockstar Games UK Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business are shown in the company information on page 1.

The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 March 2022.

#### b) *Basis of preparation*

The financial statements of Rockstar Games UK Limited have been prepared on a going concern basis, in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

The financial statements have been prepared in sterling, which is the functional currency of the company and rounded to the nearest £.

The company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- (b) the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d)
- (c) the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A and Section 12 Other Financial Instruments paragraphs 12.26 to 12.29
- (d) the requirements of Section 26 Share Based Payment paragraphs 26.18(b), 26.19 to 26.23
- (e) the requirements of Section 33 Related Party Disclosures paragraph 33.7. All related party transactions are conducted at an arm's length.

A summary of the significant accounting policies, which have been applied consistently throughout the financial year, is set out below.

#### c) *Going concern*

The directors have reviewed the current financial performance and position of the company, as well as, whether there are events or conditions that could have a material adverse impact on the company's ability to continue as a going concern for the period up to 31 December 2023. The directors believe that the company's position indicates that it has adequate resources to meet its liabilities for the foreseeable future as they fall due. In the unlikely event that it is not possible for the company to meet its liabilities as they fall due, due to the nature of the arrangement within the group, the company is economically dependent on the wider group. The company has obtained a letter of support from Take-Two Interactive Software Inc, the company's ultimate parent company, who has confirmed its ability and intention to provide the required financial support to the company for the period up to 31 December 2023.

The directors have considered the Take-Two Interactive Software Inc. group's financial and cash position and consider the group to continue to be in a strong position for the foreseeable future. While the group is forecasting a loss to the end of March 2023, there are group wide cash, cash equivalents, and short-term investments at 31 March 2022 of over \$2.5bn and over \$1.3bn at 30 September 2022, which would leave the group in a positive cash position in twelve months and demonstrate the underlying strength of the business group and strategy.

In light of the above and the ongoing support of Take-Two Interactive Software Inc, the company's ultimate parent company via a letter of parental support for the period up 31 December 2023, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

## Notes to the financial statements (continued)

For the year ended 31 March 2022

### 1. Accounting policies (continued)

#### d) *Significant accounting judgements and estimates*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- *Taxation*

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

- *Impairment of financial and non financial assets*

The carrying values of all assets are reviewed for impairment annually and when events or changes in circumstances indicate the carrying value may not be recoverable.

#### e) *Significant accounting policies*

- *Deferred taxation*

Deferred tax is recognised in respect of all temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statement.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply when the related asset or liability is realised, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

- *Intangible assets - Computer software*

Acquired computer software is capitalised when it has a useful economic life of over a year, can be accurately measured and is expected to have a future economic benefit within the entity. The value is written off in straight-line amortisation over its estimated useful economic life of 3 years.

- *Research and development*

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

## Notes to the financial statements (continued)

### For the year ended 31 March 2022

#### 1. Accounting policies (continued)

##### e) Significant accounting policies (continued)

- **Tangible fixed assets and depreciation**  
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.  
Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:  

Leasehold property improvements	–	Straight line over the life of the lease
Computer equipment	–	Straight line basis over 3 and 5 years
Furniture & fixtures	–	20% Straight line basis

The carrying value of tangible fixed assets is reviewed for impairment annually and when events or changes in circumstances indicate the carrying value may not be recoverable
- **Leasing**  
Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease. Lease incentives are spread over the term of the lease.
- **Cash**  
Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.
- **Share based transactions - equity settled transactions**

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions). No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, calculated on an employee by employee basis and allocated from the group level, since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity. The company, which is part of the group plan recognises and measures its share based payment expense based on a reasonable allocation of the employee's period of service to the company.

Amounts recharged by the ultimate parent undertaking are accounted for as a distribution and recorded as a reduction of the share based payment reserve.

##### • **Pensions**

The company operates a funded defined contribution pension scheme for a certain number of its employees. The assets of the scheme are held separately from those of the company. The company's contributions to these schemes are charged to the profit and loss account when due (no contributions were prepaid as at 31 March 2022).

## Rockstar Games UK Limited

**Notes to the financial statements (continued)**

For the year ended 31 March 2022

**1. Accounting policies (continued)****e) Significant accounting policies (continued)**

- **Operating lease commitments**

The company has entered into commercial property leases and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

- **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Comprehensive Income.

- **Government grants**

Government grants are recognized when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on the submission of a valid claim for payment.

- **Revenue recognition**

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding valued added tax and other sales taxes or duty.

- **Financial instruments**

Financial instruments include trade debtors and other receivables, creditors, short term investments and intercompany loan. These are classified and measured at amortised cost.

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instruments. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below.

- **Intercompany loan**

Rockstar Games UK Limited has loaned Take-Two Interactive Software Europe Limited, a company within the same parent group, £20,000,000 on the 9th June 2021, repayable on demand. The loan bears an interest rate of 2.1645% per annum.

- **Receivables**

Receivables are amounts due from group companies for services performed in the course of business. If collection is expected in one year or less, they are classified as current assets. If not they are represented as non-current assets.

- **Creditors**

Creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers and group companies.

- **Provision for liabilities**

Provisions are made when an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

## Notes to the financial statements (continued)

For the year ended 31 March 2022

### 1. Accounting policies (continued)

- ***Provision for liabilities***

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

- ***Interest income***

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method and is due from group companies.

## Rockstar Games UK Limited

**Notes to the financial statements (continued)**

For the year ended 31 March 2022

**2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK and excludes value added tax.

	31 March 2022	31 March 2021
	£	£
Sales	<u>500,391,519</u>	<u>331,760,185</u>

Turnover attributable to geographical markets outside the United Kingdom amounted to 100% for the current and prior year, being the United States of America.

**3. Operating profit**

	31 March 2022	31 March 2021
	£	£
Operating profit is stated after charging:		
Equity settled share-based payments	57,410,887	31,937,353
Depreciation and other amounts written off intangible assets	29,386	33,122
Depreciation and other amounts written off tangible assets	5,693,431	4,170,858
Operating lease rentals		
– Plant and machinery	22,406	39,093
– Land and buildings	3,130,191	2,397,704
Auditors' remuneration	<u>74,400</u>	<u>67,620</u>
and after crediting:		
Net foreign exchange (loss)/gain	(16,745)	23,364
Research and development expenditure credits	<u>516,599</u>	<u>303,739</u>

**4. Interest receivable and similar income**

	31 March 2022	31 March 2021
	£	£
Bank interest	(6,627)	14,300
Intercompany interest	351,064	—
Other interest	—	58,056
	<u>344,437</u>	<u>72,356</u>

## Rockstar Games UK Limited

**Notes to the financial statements (continued)**

For the year ended 31 March 2022

**5. Interest payable**

	31 March 2022	31 March 2021
	£	£
On loans	—	—

**6. Employees**

The average monthly number of employees, including the directors, during the year were:

Number of employees	31 March 2022	31 March 2021
Development	1,373	1,246
Administration	88	74
	<u>1,461</u>	<u>1,320</u>

Employment costs	31 March 2022	31 March 2021
	£	£
Wages and salaries	346,482,704	223,366,023
Social security costs	25,184,276	21,503,653
Pension costs	4,167,231	3,538,646
Equity settled share based payments	57,410,887	31,937,353
	<u>433,245,098</u>	<u>280,345,675</u>

**7. Directors' emoluments**

	31 March 2022	31 March 2021
	£	£
Directors' emoluments	—	—
Company contribution to money purchase pension scheme	—	—

The directors of the company are also directors of other group companies. The directors received remuneration for the year, all of which was paid by other group companies. They have minimal qualifying services to the company and receive no remuneration in respect of the company.

## Rockstar Games UK Limited

**Notes to the financial statements (continued)**

For the year ended 31 March 2022

**8. Pension costs**

The company operates a defined contribution pension scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £4,167,231 (2021: £3,538,646).

**9. Tax on profit on ordinary activities****Analysis of charge in period**

	31 March 2022	31 March 2021
	£	£
<b>Current tax:</b>		
UK corporation tax, current year	(77,450,499)	(64,576,337)
UK corporation tax, prior year	(2,967,983)	—
Total current tax charge	<u>(80,418,482)</u>	<u>(64,576,337)</u>
<b>Deferred tax:</b>		
Timing differences, origination and reversal	(618,024)	216,822
Effect of changes in tax rates	—	—
Total deferred tax	<u>(618,024)</u>	<u>216,822</u>
Tax on profit on ordinary activities	<u><u>(81,036,506)</u></u>	<u><u>(64,359,515)</u></u>

**Factors affecting tax charge for period**

The tax assessed for the period differs for the period from the standard rate of corporation tax in the UK (19%). The tax rate when monetizing a net operating loss as a result of video games tax relief is 25%. The difference are explained below:

	31 March 2022	31 March 2021
	£	£
Profit on ordinary activities before taxation	<u>12,134,099</u>	<u>9,471,928</u>
Profit on ordinary activities at blended rate	<u>2,932,924</u>	<u>2,317,878</u>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	731,097	2,305,009
Permanent excess benefit related to stock compensation	(872,399)	(2,931,938)
Video Games Tax Relief	(79,837,384)	(68,376,369)
Differences between corporation tax and deferred tax rates	—	1,914,709
Adjustment in respect of previous years - Current tax	(2,967,984)	—
Adjustment in respect of previous years - Deferred tax	(1,022,760)	391,658
Other adjustments	—	19,538
Total tax charge / (credit) for period	<u><u>(81,036,506)</u></u>	<u><u>(64,359,515)</u></u>

£10,457,419 qualifying activity is being taxed at 25% and £1,676,680 is being taxed at 19%, in line with the UK's corporation tax rate.



## Rockstar Games UK Limited

**Notes to the financial statements (continued)**

For the year ended 31 March 2022

**9. Tax on profit on ordinary activities (continued)****Factors that may affect future tax charges**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

The Finance Act 2021 included legislation to increase the main UK corporation tax rate from the current rate of 19% to 25% as of 1 April 2023. This became law when Finance Act 2021 received Royal Assent on 10 June 2021. This will increase the company's future current tax charge accordingly.

The deferred tax at 31 March 2022 has been calculated based on the current year rate (19%), reflecting the uncertain timing of reversal of the temporary differences and the remaining period at which the current tax rate will apply (2021: 19%).

**10. Intangible fixed assets**

	Computer software £	Total £
<b>Cost:</b>		
At 1 April 2021	743,848	743,848
Additions	—	—
At 31 March 2022	<u>743,848</u>	<u>743,848</u>
<b>Amortisation</b>		
At 1 April 2021	(713,633)	(713,633)
Charge for the year	(29,386)	(29,386)
At 31 March 2022	<u>(743,019)</u>	<u>(743,019)</u>
<b>Net book value:</b>		
At 1 April 2021	30,215	30,215
At 31 March 2022	<u>829</u>	<u>829</u>

## Rockstar Games UK Limited

**Notes to the financial statements (continued)**

For the year ended 31 March 2022

**11. Tangible fixed assets**

	Leasehold improvements	Computer and office equipment	Fixtures and fittings	Total
	£	£	£	£
<b>Cost:</b>				
At 1 April 2021	16,415,939	16,954,103	2,524,870	35,894,912
Additions	8,578,508	2,499,973	219,140	11,297,621
At 31 March 2022	24,994,447	19,454,076	2,744,010	47,192,533
<b>Amortisation</b>				
At 1 April 2021	(12,724,937)	(13,904,666)	(2,231,840)	(28,861,443)
Charge for the year	(3,444,639)	(2,157,781)	(91,010)	(5,693,430)
At 31 March 2022	(16,169,576)	(16,062,447)	(2,322,850)	(34,554,873)
<b>Net book value:</b>				
At 1 April 2021	3,691,002	3,049,437	293,030	7,033,469
At 31 March 2022	8,824,871	3,391,629	421,160	12,637,661

**12. Debtors: amounts falling due within one year**

	31 March 2022	31 March 2021
	£	£
Amounts owed by group undertakings	108,398,440	82,984,133
Other debtors	78,723,951	57,487,990
	<u>187,122,391</u>	<u>140,472,123</u>

Other debtors includes £74,054,216 for Video Games Tax relief and other research and development tax credits.

Amounts owed by fellow group undertakings is net of amounts owed to and by different counterparties owned by the same ultimate parent company. This includes a loan amount owed by another group company of £20m at 31 March 2022 (2021: £nil) repayable on demand. The loan bears interest at a rate of 2.1645%. The remaining amounts are unsecured, interest free, have no fixed date of prepayment and repayable on demand.

**13. Debtors: amounts falling due after more than one year**

	31 March 2022	31 March 2021
	£	£
Other debtors	126,950,585	66,542,181
	<u>126,950,585</u>	<u>66,542,181</u>

Other debtors relates to a receivable for Video Games Tax relief and other research and development tax credits.

## Rockstar Games UK Limited

**Notes to the financial statements (continued)**

For the year ended 31 March 2022

**14. Deferred tax asset**

	31 March 2022	31 March 2021
	£	£
Accelerated / (Decelerated) capital allowances	<u>(1,544,765)</u>	<u>(926,742)</u>
Provision / (asset) at 1 April 2021	(926,742)	
Deferred tax credit in profit and loss account	(618,023)	
Balances transferred	—	
Provision / (asset) at 31 March 2022	<u>(1,544,765)</u>	

**15. Creditors: amounts falling due within one year**

	31 March 2022	31 March 2021
	£	£
Trade creditors	851,954	519,266
Other taxes and social security costs	3,254,819	5,362,020
Pension costs	589,544	522,321
Accruals	<u>5,127,500</u>	<u>4,523,548</u>
	<u>9,823,817</u>	<u>10,927,155</u>

**16. Creditors: amounts falling due after more than one year**

	31 March 2022	31 March 2021
	£	£
Provision for dilapidations	4,406,895	2,895,960
Accruals	<u>1,081,423</u>	<u>1,249,248</u>
	<u>5,488,318</u>	<u>4,145,208</u>

## Rockstar Games UK Limited

**Notes to the financial statements (continued)**

For the year ended 31 March 2022

**17. Provisions**

	Reduced rent	Dilapidations	Total
	£	£	£
At 1 April 2021	1,610,026	2,895,960	4,505,986
Charge for the year	909,804	1,510,935	2,420,739
Utilised in the year	(459,535)	—	(459,535)
At 31 March 2022	<u>2,060,295</u>	<u>4,406,895</u>	<u>6,467,190</u>

Dilapidations

Dilapidations provisions of £4,406,895 are provided in respect of the leased premises.

Reduced rent

In 2015 the company entered into a new lease agreement which for the initial 10 years the company would benefit from a reduced rent charge. The reduced rent provision spreads from the benefit of the reduced rent across the term of the whole lease.

**18. Employee share schemes**

The following stock-based compensation plans are granted to certain employees of the company:

***Restricted stock unit awards (RSU)***

A restricted stock unit is the right to receive Common Share stock of the company's ultimate parent undertaking. The stock units vest if the employee remains in continuous service for a period of three years from the date of grant and the company meets various financial performance criteria. The stock units are awarded free of charge.

Restricted stock is issued and outstanding upon grant; holders of Restricted Stock awards are restricted from selling the shares until such time as they are vested. Upon vesting, the company will typically withhold shares to satisfy tax liabilities.

***Stock Option Plan – '2002 Plan'***

Employees may receive stock options to purchase shares of Take-Two Interactive Software Inc's common stock. The options vest if the employee remains in continuous service for a defined period of time from the date of grant and the company meets various financial performance criteria.

**19. Share capital and reserves**

	31 March 2022		31 March 2021	
<b>Authorised</b>	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	31 March 2022		31 March 2021	
<b>Allotted, called up and fully paid</b>	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Other reserves relates to the share based payment reserve which accounts for share based payment charges in accordance with FRS20 Share Based Transaction. In accordance with the same standard, the amounts pushed down by the ultimate parent undertaking were accounted for as distribution and recorded as a reduction of the share based payment reserve. For movement in all reserves please see Statement of changes in equity.

## Rockstar Games UK Limited

**Notes to the financial statements (continued)**

For the year ended 31 March 2022

**20. Operating lease commitments**

At 31 March 2022 the company had total future minimum lease commitments under operating leases as follows:

	<i>Land and buildings</i>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Not later than one year	2,820,439	2,557,299
After one year but no more than five years	9,540,090	7,221,663
After five years	5,083,927	2,509,128
	<u>17,444,456</u>	<u>12,288,090</u>

**21. Capital commitments**

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£</b>	<b>£</b>
Contracted for but not provided in the financial statements	<u>2,385,490</u>	<u>264,748</u>

**22. Ultimate parent undertaking**

The company's immediate parent undertaking is DMA Design Holdings Limited, a company incorporated in England and Wales whose registered office is 7 Savoy Court, London, WC2R 0EX.

The ultimate parent company and controlling party of the company is Take-Two Interactive Software Inc. Copies of the group financial statements of Take-Two Interactive Software Inc. are available from the company's registered office, 110 West 44<sup>th</sup> Street, New York, NY 10036, United States of America.

**23. Subsequent events**

There are no events after the reporting period which would affect the financial statements for the year ended 31 March 2022.