

Position Specification

Games Workshop Group plc

Chair of Audit & Risk

Company Overview

Games Workshop makes the best fantasy miniatures in the world. Its games are a gateway to a range of exciting hobby activities that can provide hours of enjoyment. For many hobbyists, this sparks a passion that can last a lifetime. Warhammer is a Hobby, a world, a community and more. Its millions of players worldwide collect, build, and paint armies from a range of imaginative universes, before pitting them against each other in board games, skirmish combats, and epic battles on the tabletop. Like all good hobbies, the Games Workshop Hobby requires specialist knowledge and a commitment to building expertise and relationships with fellow enthusiasts.

DRIVEN BY A SIMPLE MISSION

Games Workshops makes the best fantasy miniatures in the world to engage and inspire its customers, and to sell its products globally at a profit. *It intends to do this forever.* Its decisions are focused on long-term success, not short-term gains.

For an introduction to Warhammer, click the logo:



Its core activities are to design, make, and sell fantastical miniature soldiers and associated models across its portfolio of exciting, evolving brands. The most well-known are Warhammer and Warhammer 40,000. It also holds the exclusive licence for The Lord of the Rings/the Hobbit tabletop battle game. In addition to the miniatures, it designs, makes, and sells a variety of books and accessories to facilitate the Hobby. The vast range of plastic and resin kits, painting guides, rulebooks, and novels are the foundation of an almost infinite Hobby.

The extensive and multi-faceted Warhammer universe is home to thousands of stories featuring a diverse range of engaging and popular characters. Drawing on this rich intellectual property, Games Workshop is expanding its licensing activities to develop live-action and animated content for broadcast channels and platforms around the globe.

VERTICALLY INTEGRATED BUSINESS MODEL

At its core, the Hobby is all about Games Workshop's amazing miniatures. It is a manufacturing business first and foremost. Its retail outlets are the front-end to its manufacturing operation. Led by experienced and passionate staff, the stores show hobbyists how to engage with Warhammer, recruit new customers into the Hobby, and create a hub for the Warhammer community where players enjoy spending money and building relationships with other players. It is the largest and the most successful tabletop fantasy battle-games company in the world because everyone at Games Workshop – from designers and store managers to the senior management and board – is passionate about the Hobby.

Games Workshop is a vertically integrated business, retaining control over every aspect of its models and rulebooks. Collectors of fantasy miniatures choose the best quality products and are prepared to pay what they are worth. Quality is so important to Games Workshop that all its activities – from design to manufacturing to distribution – are locally run from its headquarters in Nottingham, England. There are additional distribution centres in Memphis, Tennessee and Sydney, Australia.

It operates its own chain of more than 500 retail stores in the UK, USA, Canada, Australia, New Zealand, Japan, China, France, Germany, Spain, Italy, the Netherlands, Eire, Belgium, Austria, Poland, Norway, Sweden, Denmark, and Finland. It also sells products through more than 4,000 other hobby and toy shops globally. These outlets are complemented by mail order and online specialist sales businesses. With around 70% of sales coming from outside of the UK, Games Workshop is truly international.

Games Workshop's Operations

The business generates income from four principal channels:

Trade (Revenue: £194.8m in 2021; 55% group revenue)



Sales to independent third-party retailers help to build the Warhammer Hobby community in areas where Games Workshop does not have stores. In 2020/21, it had 5,400 independent retailers (2020: 4,900) in 73 countries. Sales to independent retailers are mainly via the telesales teams based in Memphis and Nottingham. There are small telesales teams in Sydney, Tokyo, Shanghai, Singapore, Hong Kong, and Kuala Lumpur, operating in 23 languages covering all time zones. Trade achieved significant growth of 39% in 2020/21 with growth in all key countries. These sales are from retailers' physical stores as well as their own ecommerce platforms.

Retail (Revenue: £70.7m in 2021; 20% group revenue)



523 owned retail stores operate in 23 countries – 138 in the UK, 161 in North America, 153 in Europe, 49 in Australia and 22 in Asia. There are 406 small stores operated by only one store manager, offering extensive Warhammer knowledge, guidance, and support to the local community. The stores are an essential and unique customer service offer. New Warhammer café store formats opened in Texas and California in 2020/21 with 10 more planned.

Online (Revenue: £87.7m in 2021; 25% group revenue)



Sales via Games Workshop's own web stores, which are run centrally from Nottingham. All retail stores have a web store terminal that allows customers to access the full range from within store. Warhammer has an active online following (visits to Warhammer-community.com increased 16% in 2020/21) who immerse themselves in the lore, share their modelling efforts, and buy new products via third parties and via Games Workshop's ecommerce sites.

Licensing (Operating profit in 2021: £15m)



Leveraging the extensive library of IP (nearly 40 years' worth) by granting licences to carefully selected partners to broaden Warhammer's presence and brand exposure globally, often entering new markets including video games, media, and entertainment. Most of this income is generated by computer games sales in North America, the UK, and Europe.

Games Workshop generates income from these activities from around the world. By customer geography, revenues come from North America (41%), Continental Europe (23%), the UK (22%), Australia and New Zealand (7%), Asia (3%), and the Rest of the World (2%).

Games Workshop's Performance

Quoted on the London Stock Exchange, Games Workshop is a constituent of the FTSE 250 index and has a market capitalisation of £3.1 billion (10 November 2021), placing it 142nd in the FTSE 350. Since January 2020, the share price has increased by 57%, and by 77% CAGR over the past five years.



For the financial year ended 31 May 2021, Game Workshop reported record sales of £353.2 million (+31% vs the previous year) and profit before tax of over £150 million for the first time (+68% vs the previous year). Games Workshop's culture determines how it delivers and achieves. It is built on the qualities of honesty, humility, and courage. It has an enthusiastic and committed team, led by CEO Kevin Rountree and CFO Rachel Tongue, who have deep knowledge of and experience with the business.

The company employs more than 2,000 people with great skills, attitudes, and behaviours. It has, therefore, proven resilient throughout the pandemic and – while putting colleagues' and customers' safety first – delivered record revenues and profits despite a challenging global backdrop. The manufacturing, warehousing, and support operations in Nottingham, Memphis, and Sydney have delivered a significant increase in annual volumes with enhanced health and safety procedures. A new facility opened in Nottingham in mid-2020 with new racking, conveyor, and robotics solutions, and a strategic warehouse management system mirroring the Memphis facility, which has been upgraded. During the year, global shipping and container constraints have restricted the ability to meet customer demand levels in the US and Australia but management have introduced new solutions to address this, and the situation is improving.

The Role

The board of Games Workshop is now looking to appoint a high quality non-executive director who will bring sufficient technical and financial credentials to lead the audit and risk committee effectively and support the company's financial performance. Games Workshop is a manufacturing business that operates in a niche consumer-facing segment. It is, however, the clear leader in its chosen market and has an established and loyal customer base and a product portfolio that has considerable potential for further profitable and sustainable growth globally. As such, the new non-executive director will need to understand quickly the dynamics and culture of the business, where it has come from, its present strategy, and shareholder expectations.

Importantly, the non-executive will bring the character, presence, and interpersonal skills required to navigate and advise in an entrepreneurial environment with an unwavering focus on simplicity, integrity, pace, and delivering high quality yet value-for-money products to customers.

As a full board member and chair of the audit and risk committee, the non-executive director will:

- Play an active and positive role in the direction of the business, applying their experience and insights to support the business' continued growth, to increase its return on capital over the long-term, and to uphold its culture and ethics.
- Contribute to the quality of board debate by providing appropriate challenging and diverse intellectual analysis, keeping the focus on strategic issues facing the group, including its ongoing domestic and international expansion, entry into adjacent markets, and development of the digital activities.
- Provide external, independent counsel to the chair, board and executives on the company's financial and audit arrangements and governance, as required, always putting the company first and representing the interests of all stakeholders.
- Draw on technical accounting and financial experience to chair the audit and risk committee and will work as a board member with the executive – particularly the CFO – and non-executive directors to oversee the evolution and implementation of Games Workshop's strategy and assess its risk profile and its finance and audit activities in the light of the short-and long-term market conditions.
- Build a trusting and effective relationship with the chief financial officer, providing counsel, advice, and support, as appropriate.
- Promote and champion the business externally, demonstrating passion for Games Workshop and supporting the board in appropriate investor-facing activities.

Candidate Profile

Candidates are likely to offer a range of the following characteristics:

- Recent and relevant financial qualifications to chair the audit and risk committee, most likely as a financially qualified (ICAEW, CIMA or equivalent) senior executive, or recently retired partners with a professional services background and well-rounded commercial experience.
- Board experience as an executive or non-executive director in a significant business in a relevant sector. As such, s/he will have the maturity, gravitas, and insights to join an experienced board and a successful business through a period of significant growth.
- Successful track record as a senior executive of leading profitable growth and driving shareholder value in an international business. As Games Workshop is a manufacturing business with international distribution, multichannel retail formats, digital activities and growing IP licensing activities, candidates could bring experience from a range of sectors including manufacturing, retail, ecommerce, consumer goods, distribution/logistics, leisure, media, computer games, or other entertainment sectors.
- Affinity with Games Workshop as a global organisation with a UK base and heritage, and growing operations in North America and Asia; they will ideally possess an awareness of the challenges inherent in achieving international growth targets and in managing globally distributed operations.

- Prior non-executive experience may be helpful but is not essential; key is the ability to quickly develop an understanding of Games Workshop's culture, operations, markets, and strategic priorities. They will be willing to spend time with staff, enquiring and listening to develop a thorough understanding of the company, its people, and its niche business model.
- A commercially astute business leader who is respected by shareholders, employees, and other stakeholders for their track record of value creation, business acumen, integrity, and ability to bring a diverse, value-adding perspective to the board.
- Ability both to appreciate the history and culture of the organisation and to provide appropriate challenge and counsel to the experienced management team to support Games Workshop's continued growth.
- Confident individual and clear thinker who discusses topics openly and honestly and will provide constructive, robust challenge to the strategic debate, with a pragmatic yet inquisitive, non-hierarchical approach.
- A participatory, engaged style balanced with an appreciation for the clear division between executive and non-executive responsibilities; key is the ability to quickly gain the trust, respect and support of the chair, chief executive, chief financial officer, and fellow board members.
- A firm belief that both sustainability and profit are in the organisation's best long-term interest.
- Other essential qualities will include good coaching and influencing skills; intellectually robust and articulate with both IQ and EQ and no overbearing ego; a good listener, personable with a good sense of humour.

APPENDIX – Board of Directors

Elaine O'Donnell, Non-Executive Chair

Elaine was appointed to the board on 28 November 2013 and became non-executive chairman on 1 January 2021. A chartered accountant by profession, Elaine was previously a corporate finance partner with EY. She is also a non-executive director of On the Beach Group plc and was previously on the board of Studio Retail Group plc.

[Follow Elaine on LinkedIn](#)

John Brewis, Chair of Remuneration Committee

John was appointed to the board on 20 June 2018. John has over 30 years' experience in high volume manufacturing businesses and had various roles within Reach plc, formerly Trinity Mirror plc, including managing director of the Group's manufacturing division.

[Follow John on LinkedIn](#)

Kate Marsh, Non-Executive Director

Kate was appointed to the board on 24 July 2019. Kate has over 30 years' experience in digital and media businesses. She is currently non-executive director at Independent Mediahuis Ireland Limited, Elstree Film Studios Limited and is heading up international development for MGM Studios' digital networks. Kate has built and managed significant media businesses across Europe holding senior roles with Sky, GroupM, the BBC, and Sony Pictures Television.

[Follow Kate on LinkedIn](#)

Kevin Rountree, Chief Executive

Kevin joined Games Workshop in March 1998 as assistant group accountant. He then had various management roles within Games Workshop, including head of sales for the Other Activities division (including Black Library, Licensing and Sabertooth Games). Kevin was appointed CFO in October 2008. During the year ended 29 May 2011, he took on the responsibility of managing the Group's service centres globally. To reflect this, his title was changed to chief operating officer from chief financial officer. He became chief executive on 1 January 2015. He qualified as a chartered management accountant in 2001. Prior to joining Games Workshop, Kevin was the management accountant at J Barbour & Sons Limited and trained at PwC.

[Follow Kevin on LinkedIn](#)

Rachel Tongue, Chief Financial Officer

Rachel joined Games Workshop in September 1996 as group tax manager. She then had various accounting roles within Games Workshop and was appointed company secretary in October 2008. She has also managed the legal and compliance functions within Games Workshop since November 2012. She was appointed group finance director in January 2015 and assumed the role of chief financial officer in November 2020. Rachel qualified as a chartered accountant in 1995 and as a chartered tax adviser in 1996 having trained with Arthur Andersen.

[Follow Rachel on LinkedIn](#)

APPENDIX – Board Dates - 2022

The board meets for seven one-day board meetings and two two-day board meetings annually. Meetings take place at its Nottingham headquarters or by remote conferencing.

19 January

15 (pm) to 17 (am) March

27 April

18 May

15 June

20 July

21 September (AGM in September annually)

19 October

15 (pm) to 17 (am) November

14 December

Financial year end: May

Auditors: KPMG LLP

APPENDIX Instructions on Applying

The most important thing Games Workshop requires is a letter telling us why you would like this role.

Please submit your letter with a recent CV by email to: Jessica.cowper@russellreynolds.com

The closing date for applications is midday, Wednesday 9 February 2022.

Individuals are invited to speak with a member of the team handling this appointment to discuss their interest prior to submitting their application. Please email Jessica.cowper@russellreynolds.com

Games Workshop has retained Russell Reynolds Associates exclusively to advise on this appointment. Please do not contact the company directly.