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**THE CREATIVE ASSEMBLY LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**



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**THE CREATIVE ASSEMBLY LIMITED**

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## THE CREATIVE ASSEMBLY LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

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The directors present their report on the company and the audited financial statements for the year ended 31 March 2010

#### PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company operates a computer games software development business

Turnover for the year to 31 March 2010 was £12,434,985 compared to £10,152,891 for 2009. Turnover is primarily derived from services rendered in the development of titles and royalty income for titles owned by the company.

The company reported an operating profit of £840,895 for the year ending 31 March 2010 compared to an operating loss of £520,270 for 2009 as a result of title improved turnover and higher royalty income.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The company develops games in a highly competitive market whereby the success or failure of a title is consumer oriented. The company seeks to continue to enhance its portfolio of titles to exploit existing and new opportunities in the consumer market.

At the year end, the company had entered into, and recognised income from, a number of development agreements. These agreements are priced to reflect the estimated cost of completing the development of the game, but delays or cost overruns may mean that the company can incur losses. Effective project management is therefore critical to the profitability of the company.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, of £258,225 (2009 - loss of £257,440) will be transferred to reserves.

The directors do not recommend the payment of a dividend (2009 - £Nil).

#### DIRECTORS

The directors of the company during the year ended 31 March 2010 were as follows:

M Maeda (resigned 29 May 2009)  
M Hayes  
N Tsurumi

#### DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' Report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### CHARITABLE CONTRIBUTIONS

Charitable donations made by the company during the year amounted to £Nil (2009 - £Nil).

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**THE CREATIVE ASSEMBLY LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2010**

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**AUDITORS**

Under section 487 of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditors and will therefore continue in office

This report was approved by the board and signed on its behalf

Director



Date 15<sup>th</sup> December 2010

**Registered address**  
27 Great West Road  
Brentford  
Middlesex  
TW8 9BW

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**THE CREATIVE ASSEMBLY LIMITED**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 MARCH 2010**

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The directors are responsible for preparing 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). 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- 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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
15 Canada Square  
London  
E14 5GL

## **Independent auditors' report to the members of The Creative Assembly Limited**

We have audited the financial statements of The Creative Assembly Limited for the year ended 31 March 2010 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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.

*Nick Gibb*

Nick Gibb (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
London

20 December 2010

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**THE CREATIVE ASSEMBLY LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2010**

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	Note	2010 £	2009 £
<b>TURNOVER</b>	1,2	<b>12,434,985</b>	10,152,891
Cost of sales		<u>(10,177,176)</u>	<u>(8,970,363)</u>
<b>GROSS PROFIT</b>		<b>2,257,809</b>	1,182,528
Administrative expenses		<u>(1,416,914)</u>	<u>(1,702,798)</u>
<b>OPERATING PROFIT/(LOSS)</b>		<b>840,895</b>	(520,270)
Interest payable and similar charges		<u>(4,371)</u>	<u>(2,222)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	<b>836,524</b>	(522,492)
Taxation (charge)/credit on profit/(loss) on ordinary activities	6	<u>(578,299)</u>	<u>265,052</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	13	<b><u>258,225</u></b>	<b><u>(257,440)</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and Loss Account

The notes on pages 8 to 16 form part of these financial statements

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**THE CREATIVE ASSEMBLY LIMITED**

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**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2010**

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	2010 £	2009 £
<b>REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>836,524</b>	<b>(522,492)</b>
Realisation of valuation gains of previous periods (Note 13)	<u>3,684</u>	<u>3,684</u>
<b>HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u><b>840,208</b></u>	<u><b>(518,808)</b></u>
<b>HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION</b>	<u><b>261,909</b></u>	<u><b>(253,756)</b></u>

The notes on pages 8 to 16 form part of these financial statements



**THE CREATIVE ASSEMBLY LIMITED**  
**REGISTERED NUMBER 03425917**

**BALANCE SHEET**  
**AS AT 31 MARCH 2010**

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	7		1,324,249		1,505,816
Investments	8		648,281		648,281
			<u>1,972,530</u>		<u>2,154,097</u>
<b>CURRENT ASSETS</b>					
Debtors	9	12,078,096		21,646,005	
Cash at bank and in hand		23,832		118,433	
			<u>12,101,928</u>	<u>21,764,438</u>	
<b>CREDITORS</b> amounts falling due within one year	10		<u>(10,780,431)</u>	<u>(20,882,733)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,321,497</u>		<u>881,705</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,294,027</u>		<u>3,035,802</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		100		100
Share premium account	13		33,735		33,735
Revaluation reserve	13		267,908		271,592
Profit and loss account	13		2,992,284		2,730,375
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	14		<u>3,294,027</u>		<u>3,035,802</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

Director



Date 15<sup>th</sup> December 2010

The notes on pages 8 to 16 form part of these financial statements

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**THE CREATIVE ASSEMBLY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with applicable UK accounting standards and the requirements of the United Kingdom Companies Act 2006, and under the historical cost convention, modified to include the revaluation of certain fixed assets

**1.2 Turnover**

Turnover is determined primarily with reference to costs incurred for the year, which are recharged for services provided to Sega Publishing Europe Limited as well as income from owned titles

**1.3 Foreign currencies**

In the company's financial statements, monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling on the date of the transaction. All foreign currency exchange gains and losses are recognised in the Profit and Loss Account.

**1.4 Operating leases**

Costs in respect of operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are recorded at cost or valuation less accumulated depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values and any provision for impairment, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are

Freehold buildings	-	2%
Leasehold improvements	-	over the remaining term of the lease
Fixtures, fittings & equipment	-	25% - 33%
Motor vehicles	-	25%

Freehold land is not depreciated

**1.6 Investments**

Investments held as fixed assets are shown at cost less provision for impairment, if any

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**THE CREATIVE ASSEMBLY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**1 ACCOUNTING POLICIES (continued)**

**1.7 Deferred taxation**

Provision is made for deferred tax liabilities and assets, using full provision accounting, otherwise known as the incremental liability method, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future in accordance with FRS 19 'Deferred tax'. A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**1.8 Research and development**

All internal research and development costs are charged to the Profit and Loss Account during the period in which they occur. Development costs contracted out to third parties for certain games are charged to the Profit and Loss Account in the same period as that in which the associated revenues are generated.

**1.9 Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The contributions payable by the company to the defined contribution scheme are charged to the Profit and Loss Account when they are incurred.

**1.10 Cash flows**

The company is a wholly owned subsidiary of SEGA Holdings Europe Limited, which itself is a wholly owned subsidiary of SEGA Sammy Holdings Inc, which produces publicly available consolidated financial statements (Note 18). Consequently, the company is exempt under the terms of FRS 1 (Revised 1996) 'Cash flow statements' from publishing a cash flow statement.

**1.11 Related party disclosures**

FRS 8 'Related party disclosures' requires the disclosure of the details of material transactions between the reporting entity and any related parties. The company has taken advantage of the exemption from providing such information on group transactions, as it is a 100% owned subsidiary and the parent company's financial statements are publicly available.

**2 TURNOVER**

The turnover and profit/(loss) before tax are attributable to the principal activity of the company. All turnover originates in the United Kingdom.

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**THE CREATIVE ASSEMBLY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**3 DIRECTORS' EMOLUMENTS**

No directors received any emoluments from the company during the year (2009 - £Nil)

**4 STAFF COSTS**

Staff costs, including executive directors' remuneration, were as follows

	2010	2009
	£	£
Wages and salaries	4,668,349	4,374,150
Social security costs	486,037	462,223
Other pension costs (Note 15)	174,164	159,818
	<u>5,328,550</u>	<u>4,996,191</u>

The average monthly number of persons, including executive directors, employed by the company during the year was as follows

	2010	2009
	No.	No
Production	124	116
Administration	7	7
	<u>131</u>	<u>123</u>

**5 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting)

	2010	2009
	£	£
Depreciation of tangible fixed assets		
- owned by the company (Note 7)	306,220	389,613
Auditors' remuneration - audit of these financial statements	16,000	17,000
Auditors' remuneration - non-audit services	13,811	14,000
Operating lease rentals		
- land and buildings	181,903	177,979
Foreign exchange losses/(gains)	260,646	(114,178)
	<u>260,646</u>	<u>(114,178)</u>

**THE CREATIVE ASSEMBLY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**6 TAXATION CHARGE/(CREDIT) ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	2010 £	2009 £
<b>Analysis of tax charge/(credit) in the year</b>		
Current tax (see note below)		
Adjustments in respect of prior year	-	13,000
	<hr/>	<hr/>
<b>Deferred tax</b>		
Deferred tax current year	563,292	(51,894)
Adjustments in respect of prior year	15,007	(226,158)
	<hr/>	<hr/>
<b>Total deferred tax (Note 11)</b>	<b>578,299</b>	<b>(278,052)</b>
	<hr/>	<hr/>
<b>Tax charge/(credit) on profit/(loss) on ordinary activities</b>	<b>578,299</b>	<b>(265,052)</b>
	<hr/> <hr/>	<hr/> <hr/>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2009 - higher than) the standard rate of corporation tax in the UK (28%, 2009 - 28%) The differences are explained below

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	836,524	(522,492)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	234,227	(146,298)
<b>Effects of</b>		
Expenses not deductible for tax purposes	46,374	16,980
Accelerated capital allowances and other timing differences	(15,007)	31,336
Adjustments to tax charge in respect of prior periods	-	13,000
Group relief surrender	194,006	97,982
Deduction for qualifying research and development expenditure	(459,600)	-
	<hr/>	<hr/>
<b>Current tax charge for the year (see note above)</b>	<b>-</b>	<b>13,000</b>
	<hr/> <hr/>	<hr/> <hr/>

**THE CREATIVE ASSEMBLY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**6 TAXATION (continued)**

**Factors that may affect future tax charges**

A deferred tax asset has been recognised in the financial statements as shown in Note 11

A deferred tax asset relating to trading losses of approximately £1,732,000 (2009 - £1,732,000) carried forward has not been provided in the financial statements as the directors do not consider it more likely than not that future taxable profit will arise against which the potential deferred tax asset can be recovered

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011. This will reduce the company's future current tax charge accordingly.

If the rate change from 28% to 27% had been substantively enacted on or before the balance sheet date it would have had the effect of reducing the deferred tax asset recognised at that date by £992. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liabilities/assets accordingly.

**7 TANGIBLE FIXED ASSETS**

	Freehold property £	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2009	937,655	571,683	1,112,866	2,622,204
Additions	9	-	124,644	124,653
At 31 March 2010	<u>937,664</u>	<u>571,683</u>	<u>1,237,510</u>	<u>2,746,857</u>
<b>Depreciation</b>				
At 1 April 2009	72,502	164,563	879,323	1,116,388
Charge for the year	18,305	109,794	178,121	306,220
At 31 March 2010	<u>90,807</u>	<u>274,357</u>	<u>1,057,444</u>	<u>1,422,608</u>
<b>Net book value</b>				
At 31 March 2010	<u>846,857</u>	<u>297,326</u>	<u>180,066</u>	<u>1,324,249</u>
At 31 March 2009	<u>865,153</u>	<u>407,120</u>	<u>233,543</u>	<u>1,505,816</u>

The Key Partnership, Chartered Surveyors, Valuers and Property Consultants, an external valuer, carried out a valuation of the freehold property in February 2005. The valuation was based upon market value, with vacant possession. The directors consider that this valuation is not materially different from the value at 31 March 2010.

**THE CREATIVE ASSEMBLY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**7 TANGIBLE FIXED ASSETS (continued)**

In respect of certain fixed assets stated at valuation, the comparable historical cost and depreciation amounts are as follows

	2010 £	2009 £
<b>Historical cost</b>		
Cost at 31 March	<u>720,444</u>	<u>720,444</u>
<b>Depreciation</b>		
At 1 April	158,667	144,667
Charge for the year	14,000	14,000
At 31 March	<u>172,667</u>	<u>158,667</u>
<b>Net historical cost amount</b>		
At 31 March	<u><u>547,777</u></u>	<u><u>561,777</u></u>

**8 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2009 and 31 March 2010	<u><u>648,281</u></u>

The fixed asset investments comprise 100% interest in the share capital of The Creative Assembly International Limited (Games development), The Creative Assembly Studios Limited (Dormant) and Total War Limited (Dormant)

**9 DEBTORS**

	2010 £	2009 £
Amounts due from parent company and fellow subsidiary undertakings	11,936,193	19,854,076
Other debtors	-	5,312
Amounts recoverable on long term contracts owed by subsidiary undertaking	-	1,009,351
Prepayments and accrued income	114,123	171,187
Deferred tax asset (Note 11)	27,780	606,079
	<u><u>12,078,096</u></u>	<u><u>21,646,005</u></u>

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THE CREATIVE ASSEMBLY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010

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10 CREDITORS

Amounts falling due within one year

	2010	2009
	£	£
Trade creditors	123,362	281,650
Amounts due to subsidiary undertakings	641,911	641,911
Amounts due to fellow subsidiary undertakings	5,927,960	17,860,304
Other taxation and social security	2,026,163	1,059,143
Amounts payable on long term contracts owed to subsidiary undertaking	1,194,687	-
Other creditors	12,710	11,871
Accruals and deferred income	853,638	1,027,854
	<u>10,780,431</u>	<u>20,882,733</u>

11 DEFERRED TAX ASSET

	2010	2009
	£	£
At beginning of year	606,079	328,027
Movement during the year	(578,299)	278,052
At end of year	<u>27,780</u>	<u>606,079</u>

The deferred tax asset is made up as follows

	2010	2009
	£	£
Other short term timing differences	27,780	121,050
Tax losses carried forward	-	485,029
	<u>27,780</u>	<u>606,079</u>

12 SHARE CAPITAL

	2010	2009
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>



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**THE CREATIVE ASSEMBLY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**13 RESERVES**

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 April 2009	33,735	271,592	2,730,375
Profit for the year	-	-	258,225
Transfer between revaluation reserve and profit and loss account	-	(3,684)	3,684
At 31 March 2010	<u>33,735</u>	<u>267,908</u>	<u>2,992,284</u>

**14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
Opening shareholders' funds	3,035,802	3,293,242
Profit/(loss) for the year	258,225	(257,440)
Closing shareholders' funds	<u>3,294,027</u>	<u>3,035,802</u>

**15. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. Costs relating to this scheme are charged to the Profit and Loss Account when they are incurred. The cost for the year is £174,164 (2009 - £159,818).

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**THE CREATIVE ASSEMBLY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

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**16. CAPITAL AND OPERATING LEASE COMMITMENTS**

**(a) Capital commitments**

There were no capital commitments at 31 March 2010 (31 March 2009 - £Nil)

**(b) Operating lease commitments**

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Expiry date</b>		
After more than 5 years	<b>265,264</b>	<b>265,264</b>

**(c) Off balance sheet arrangements**

The operating leases noted above are entered into to provide normal operational and trading support for the company. They consist of property rental obligations.

The total financial obligations over the remaining lease terms are

	<b>2010</b>
	<b>£</b>
Property rental obligations	<b>1,768,427</b>

**17. CONSOLIDATED FINANCIAL STATEMENTS**

By virtue of section 401 of the Companies Act 2006, the company is exempt from preparing consolidated financial statements as the results of this company are included in the accounts of its ultimate parent company SEGA Sammy Holdings Inc, which are publicly available.

**18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's immediate parent company is SEGA Holdings Europe Limited incorporated in England and Wales. The company's ultimate parent company and controlling party is SEGA Sammy Holdings Inc.

SEGA Sammy Holdings Inc is the parent undertaking of the largest group of undertakings in which these financial statements are consolidated. Copies of the consolidated financial statements of SEGA Sammy Holdings Inc may be obtained from the head office Shiodome Sumitomo Building 1-9-2, Higashi Shimbashi, Minato-Ku, Tokyo 105-0021, Japan or from the company's website on [www.segasammy.co.jp](http://www.segasammy.co.jp)