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**SEGA EUROPE OVERSEAS LIMITED**

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**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

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COMPANIES HOUSE

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**SEGA EUROPE OVERSEAS LIMITED**

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**SEGA EUROPE OVERSEAS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present their report and the audited financial statements of SEGA Europe Overseas Limited ("the company") for the year ended 31 March 2018.

**PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS**

The principal activity of the company is to act as a holding company.

**DIRECTORS**

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

T Miyazaki  
D Ward

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



**D Ward**  
Director

Date: 19 Dec 2018

27 Great West Road  
Brentford  
Middlesex  
TW8 9BW

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**SEGA EUROPE OVERSEAS LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018**

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The company has not traded during the year or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

**SEGA EUROPE OVERSEAS LIMITED**  
**REGISTERED NUMBER: 02235261**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Investments	6	-	-
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	7	(9,528,966)	(9,528,966)
<b>NET CURRENT LIABILITIES</b>		(9,528,966)	(9,528,966)
<b>NET LIABILITIES</b>		<u>(9,528,966)</u>	<u>(9,528,966)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2	2
Profit and loss account	10	(9,528,968)	(9,528,968)
<b>TOTAL EQUITY SHAREHOLDERS' DEFICIT</b>		<u>(9,528,966)</u>	<u>(9,528,966)</u>

For the year ended 31 March 2018 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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



**D Ward**  
Director

Date: 19 Dec 2018

The notes on pages 5 to 9 form part of these financial statements.

**SEGA EUROPE OVERSEAS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	2	(9,528,968)	(9,528,966)
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Result for the year	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	-
<b>AT 31 MARCH 2018</b>	<b>2</b>	<b>(9,528,968)</b>	<b>(9,528,966)</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	2	(9,528,968)	(9,528,966)
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Result for the year	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	-
<b>AT 31 MARCH 2017</b>	<b>2</b>	<b>(9,528,968)</b>	<b>(9,528,966)</b>

The notes on pages 5 to 9 form part of these financial statements.

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## SEGA EUROPE OVERSEAS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. GENERAL INFORMATION

SEGA Europe Overseas Limited ("the company") is a private company and is incorporated and domiciled in the United Kingdom. The address of its registered office is 27 Great West Road, Brentford, Middlesex, TW8 9BW.

#### 2. ACCOUNTING POLICIES

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

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 financial statements of its ultimate parent company, SEGA Sammy Holdings Inc., which are publicly available.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The company acts as a holding company and has no routine transactions. The company has net current liabilities and a deficit in shareholders' funds arising from impairments made to fixed asset investments in previous years. The company has access to facilities, should they be required, through the immediate parent company, SEGA Europe Limited. SEGA Europe Limited has confirmed that it will ensure that Sega Europe Overseas Limited and its subsidiary companies are able to continue to meet their existing financial obligations as soon as they become due and will continue to support the operational cash requirements of Sega Europe Overseas Limited and its subsidiary companies for the foreseeable future and at least until 31 December 2019. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Accordingly, the directors believe that the company is well placed to manage its business risks successfully and are satisfied that the company has sufficient financial resources to enable it to continue operating in the foreseeable future and at least until 31 December 2019. The directors therefore continue to adopt the going concern basis in preparing the Directors' Report and financial statements.

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## SEGA EUROPE OVERSEAS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The company is a qualifying entity as its results are consolidated into the financial statements of SEGA Sammy Holdings Inc., which are publicly available.

As a qualifying entity, the company has taken advantage of the following exemptions:

- from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- from the requirement to disclose details of material transactions between the company and the ultimate parent undertaking or its other wholly owned subsidiaries as required by section 33 of FRS 102;
- from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

### 2.4 Fixed asset investments

Investments are included at cost less amounts written off or provisions made in respect of any impairment in carrying value.

### 2.5 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to related parties and investments in non-puttable ordinary shares.

Investments in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

### 2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



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## SEGA EUROPE OVERSEAS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management has to make judgements on how to apply the company's accounting policies and make estimates about the future. There are no critical judgements that have been made in arriving at the amounts recognised in the financial statements. The key area of estimation uncertainty that has a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year, is discussed below:

##### **Provision for impairment of fixed asset investments**

The company makes an estimate of the recoverable value of fixed asset investments. When assessing impairment of investments, management considers factors including the expected future performance of the investment, expected future cash flows from the investment and the prevailing economic environment, in particular as relates to the market sector and geographical location of the investment's principal operations.

#### 4. EMPLOYEES

The company has no employees other than the directors, who are also directors of other SEGA companies and the company considers their services to the company insignificant compared with their services performed for other SEGA companies and therefore no directors' emoluments are reported for the company for the year (2017 - £Nil).

#### 5. TAXATION

##### **FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

There were no factors that affected the tax charge for the year.

##### **FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Capital tax losses are available to carry forward of £5.3 million (2017 - £5.3 million). The directors consider that it is unlikely that there will be suitable taxable profits in the future to realise the deferred tax asset on these available losses, and therefore the asset has not been recognised in these financial statements (2017 - £Nil).

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and then to 17% (effective from 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. Where applicable this will reduce the company's future tax charge accordingly.

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**SEGA EUROPE OVERSEAS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**6. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>COST</b>	
At 1 April 2017	21,056,724
At 31 March 2018	<u>21,056,724</u>
<b>IMPAIRMENT</b>	
At 1 April 2017	21,056,724
At 31 March 2018	<u>21,056,724</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>-</u>

**INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
SEGA Germany GmbH	Ordinary	100 %	Non-trading
SEGA Consumer Products SA	Ordinary	100 %	Non-trading

**7. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Amounts owed to group undertakings	9,520,900	9,520,900
Other creditors	8,066	8,066
	<u>9,528,966</u>	<u>9,528,966</u>

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SEGA EUROPE OVERSEAS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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8. FINANCIAL INSTRUMENTS

	2018 £	2017 £
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(9,528,966)</u>	<u>(9,528,966)</u>

Financial liabilities measured at amortised cost comprise amounts owed to fellow group undertakings and other creditors.

9. SHARE CAPITAL

	2018 £	2017 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. RESERVES

**Profit & loss account**

The profit and loss account represents accumulated comprehensive income for the year and prior periods less dividends.

11. CONTROLLING PARTY

The immediate parent company is SEGA Europe Limited, a company incorporated in England and Wales and the ultimate parent company and controlling party is SEGA Sammy Holdings Inc., a company incorporated in Japan.

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).