

Activision Europe Limited

Annual report and financial statements

for the year ended 31 December 2014

Registered number: 04707223

WEDNESDAY



\*A4G2X2PM\*

A13

16/09/2015

#392

COMPANIES HOUSE

# **Activision Europe Limited**

## **Annual report and financial statements for the year ended 31 December 2014**

	<b>Page</b>
Strategic report for the year ended 31 December 2014 .....	1
Directors' report for the year ended 31 December 2014 .....	2
Independent auditors' report to the members of Activision Europe Limited .....	4
Profit and loss account for the year ended 31 December 2014.....	6
Balance sheet as at 31 December 2014.....	7
Notes to the financial statements for the year ended 31 December 2014 .....	8

# **Activision Europe Limited**

## **Strategic report for the year ended 31 December 2014**

The directors present their strategic report for the year ended 31 December 2014.

### **Principal activities**

The principal activity of the Company is to act as a holding company. The Group (Activision Europe Limited, Activision Blizzard (UK) Limited, Combined Distribution (Holdings) Limited, FreeStyleGames Ltd and Bizzare Creations Limited) is principally engaged in the distribution of entertainment software, games consoles, low cost business software and peripherals and the provision of distribution services to publishers of computer games.

### **Business review**

The results for the Company show a loss on ordinary activities before taxation of £48,000 (year ended 31 December 2013: loss £474,000) which has been transferred to reserves.

### **Key performance indicators**


The directors of Activision Europe Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company.

### **Future outlook**

The company continues to hold investments in fellow group undertakings. It is anticipated that the company will continue to hold these investments for the foreseeable future.

### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The board reviews risks formally and appropriate processes are put in place to monitor and mitigate them.



Damian O'Sullivan  
**Company secretary**  
05 June 2015

# **Activision Europe Limited**

## **Directors' report for the year ended 31 December 2014**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2014.

### **Directors and their interests**

Details of directors holding office during the year and up to the date of signing the financial statements are set out below:

D Neal  
C Walther (resigned 17 June 2014)  
I Mattingly  
D O'Sullivan

As a wholly owned subsidiary of Activision Blizzard, Inc., Activision Europe Limited is exempt from disclosure of transactions and balances with other group companies. There are no other related party transactions in the year which would require disclosure as required by FRS 8 – Related party disclosures.

### **Statement of directors' responsibilities**

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 prepared 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# **Activision Europe Limited**

## **Directors' report for the year ended 31 December 2014 (continued)**

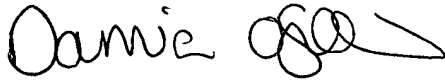
### **Statement of disclosure of information to auditors**

Each person who is a director at the date of approval of this report confirms that:

- so far as the director is 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/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

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

A handwritten signature in black ink, appearing to read 'Damian O'Sullivan', followed by a stylized flourish.

**Damian O'Sullivan**  
Company Secretary  
05 June 2015

# **Activision Europe Limited**

## **Independent auditors' report to the members of Activision Europe Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Activision Europe Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss 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.

#### **What we have audited**

Activision Europe Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

In our opinion 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.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# **Activision Europe Limited**

## **Independent auditors' report to the members of Activision Europe Limited (continued)**

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of director's responsibilities 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Jas Khela (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
05 June 2015

## Activision Europe Limited

### Profit and loss account for the year ended 31 December 2014

	Note	Year ended 31 Dec 2014	Year ended 31 Dec 2013
		£'000	£'000
Other operating charges	2	(48)	(318)
<b>Operating loss</b>		<b>(48)</b>	<b>(318)</b>
Interest payable and similar charges	3	-	(156)
<b>Loss on ordinary activities before taxation</b>		<b>(48)</b>	<b>(474)</b>
Tax on loss on ordinary activities	5	-	17
<b>Loss for the financial year</b>	<b>12</b>	<b>(48)</b>	<b>(457)</b>

All of the above results are in respect of continuing activities for the current and prior year.

The Company has no recognised gains or losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year and their historical cost equivalents.

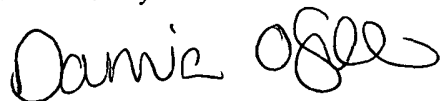


# Activision Europe Limited

## Balance sheet as at 31 December 2014

	Note	31 Dec 2014 £'000	31 Dec 2013 £'000
<b>Fixed assets</b>			
Investments	6	181,331	181,331
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	2,338	2,360
Cash at bank and in hand		194	256
		2,532	2,616
Creditors: amounts falling due within one year	8	(5,659)	(5,695)
Net current liabilities		(3,127)	(3,079)
Total assets less current liabilities		178,204	178,252
Net Assets		178,204	178,252
<b>Capital and reserves</b>			
Called up share capital	10	19,263	19,263
Share premium account	11	111,294	111,294
Profit and loss account	12	47,647	47,695
Total shareholders' funds		178,204	178,252

The financial statements on pages 6 to 14 were approved by the directors on 05 June 2015 and are signed on their behalf by:



**Damian O'Sullivan**  
Director

# **Activision Europe Limited**

## **Notes to the financial statements for the year ended 31 December 2014 (continued)**

### **Notes to the financial statements for the year ended 31 December 2014**

#### **1 Principal accounting policies**

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

##### **Basis of preparation**

The financial statements have been prepared in accordance with applicable UK accounting standards, Companies Act 2006 and under the historical cost accounting rules.

##### **Going concern**

The Directors consider that the Company have adequate resources to continue in business for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

##### **Cash flow statement and related party disclosures**

The company is a wholly owned subsidiary of Activision Blizzard, Inc. and is included in the consolidated financial statements of Activision Blizzard, Inc., which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Activision Blizzard, Inc. group. For details of other related party transactions see note 9.

##### **Consolidation**

The company is a wholly-owned subsidiary of Activision Blizzard, Inc. and is included in the consolidated financial statements of Activision Blizzard, Inc., which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

##### **Investments**

Investments are included at cost less provision for impairment, if any.

# Activision Europe Limited

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 2 Other operating charges

	Year Ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
Impairment of software licence	-	315
Production costs	48	-
Administrative expenses	-	3
Auditors' remuneration:		
Audit	-	-
Taxation services	-	-

Fee paid to the current auditors PricewaterhouseCoopers LLP for UK audit and non audit services during the year was £nil (year ended 31 December 2013: £nil). Auditors remuneration is borne by another group company and no recharge is made.

### 3 Interest payable and similar charges

	Year Ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
Interest payable on inter-company loan	-	12
Foreign exchange loss	-	144
	-	156

### 4 Directors and employees

Employee costs in the year ended 31 December 2014 (being that of directors) are borne by the parent company. The monthly average number of persons employed by the Company during the year was nil (year ended 31 December 2015: nil).

# Activision Europe Limited

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 5 Tax on profit on ordinary activities

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
Current taxation	-	-
Adjustment in respect of prior years	-	(17)
Total current taxation	-	-
Deferred taxation	-	-
<b>Total taxation charge</b>	<b>-</b>	<b>(17)</b>

The taxation assessed for the year is higher than (year ended 31 December 2013: higher than) the standard rate of corporation taxation in the UK of 21.5% (year ended 31 December 2013: 23.25%). The differences are explained below:

	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	£'000	£'000
<b>Reconciliation of actual taxation charge to expected taxation charge</b>		
Loss on ordinary activities before taxation	(48)	(457)
Expected taxation charge at 21.5% (year ended 31 December 2013: 23.25%)	(10)	(106)
Group relief surrendered not paid	10	106
Adjustments in respect of prior years	-	(17)
<b>Current taxation charge</b>	<b>-</b>	<b>(17)</b>

#### Factors affecting future tax charge

During the year, as a result of the changes in the UK corporation tax rate to 20% from 1 April 2015, which were substantially enacted on 2 July 2013, the relevant deferred tax balances have been re-measured.

# Activision Europe Limited

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 6 Fixed asset investments

Shares in subsidiary undertakings (unlisted) at cost	31 Dec 2014	31 Dec 2013
	£'000	£'000
<b>Cost and net book value</b>		
At start and end of the year	181,331	181,331

Investments comprise investments in subsidiary undertakings, all stated at cost, less provisions for any impairment. At 31 December 2014 the Company had interest in the following subsidiary undertakings:

	Country of corporation	Nature of business	Proportion of Ordinary shares held by Company	Capital and reserves £'000	Profit for the financial year £'000
Activision Blizzard (UK) Limited	England and Wales	The publication and sale of computer software and games	100%	30,715	648
Combined Distribution (Holdings) Limited	England and Wales	Distribution of entertainment software, games consoles, low cost business software and peripherals	100%	39,978	266
FreeStyleGames Ltd	England and Wales	Video games developers, specialising in music based games	100%	4,003	705
Bizarre Creations Limited	England and Wales	Video games developers	100%	5,702	N/A

During the year ended 31 December 2013, Bizarre Creations Limited was placed into liquidation. At 31 December 2014 the liquidation of Bizarre Creations Limited had not been completed.

# Activision Europe Limited

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 6 Fixed asset investments (continued)

At 31 December 2014 the Company also had the following indirect investments:

	Country of corporation	Nature of business	Proportion of Ordinary shares indirectly held	Capital and reserves £'000	Profit for the financial year £'000
CentreSoft Limited	England and Wales	Distribution of entertainment software, games consoles, low cost business software and peripherals	100%	49,549	6,223
PDQ Distribution Limited	England and Wales	Provision of services to distribution of entertainment software	100%	6,730	134
Advantage Distribution Limited	England and Wales	Dormant	100%	1	-

The directors believe that the carrying value of investments is supported by their underlying assets.

### 7 Debtors

	31 Dec 2014	31 Dec 2013
	£'000	£'000
Amounts owed by group undertakings	2,338	2,360
	2,338	2,360

Amounts due to group companies are unsecured, interest free and repayable on demand.

### 8 Creditors: amounts falling due within one year

	31 Dec 2014	31 Dec 2013
	£'000	£'000
Amounts owed to group undertakings	5,659	5,695
	5,659	5,695

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

# Activision Europe Limited

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 9 Related party transactions

As the Company is a wholly owned subsidiary of Activision Blizzard Inc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

### 10 Called up share capital

	31 Dec 2014	31 Dec 2013
	£'000	£'000
<b>Authorised</b>		
25,000,000 Ordinary shares of £1 each (31 December 2013: 25,000,000)	25,000	25,000
<b>Allotted; called up and fully paid</b>		
19,263,013 Ordinary shares of £1 each (31 December 2013: 19,263,013)	19,263	19,263

### 11 Share premium account

	£'000
At 1 January 2014	111,294
<b>At 31 December 2014</b>	<b>111,294</b>

### 12 Profit and loss account

	£'000
At 1 January 2014	47,695
Loss for the financial year	(48)
<b>Balance at 31 December 2014</b>	<b>47,647</b>

## Activision Europe Limited

### Notes to the financial statements for the year ended 31 December 2014 (continued)

#### 13 Reconciliation of movements in total shareholders' funds

	31 Dec 2014	31 Dec 2013
	£'000	£'000
Loss for the financial year	(48)	(457)
Net reduction to shareholders' funds	(48)	(457)
Opening shareholders' funds	178,252	178,709
Closing shareholders' funds	178,204	178,252

#### 14 Capital commitments

The Company had no capital commitments at 31 December 2014 (31 December 2013: £nil).

#### 15 Contingent liabilities

There were no contingent liabilities at 31 December 2014 (31 December 2013: £nil).

#### 16 Ultimate parent undertaking and controlling party

The immediate parent undertaking and controlling party is Coöperatie Activision Blizzard International U.A., a company incorporated in the Netherlands.

The ultimate parent undertaking and controlling party is Activision Blizzard, Inc., which is also the parent undertaking of the largest group in which the results of the company are consolidated. The consolidated financial statements of Activision Blizzard, Inc., which include the results of the company, are publicly available and may be obtained from Activision Blizzard, Inc., 3100 Ocean Park Boulevard, Santa Monica, California, 90405, USA.