

ACCO EUROPE LIMITED

Registered Number 2142066

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2007

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ACCO EUROPE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their annual report and audited financial statements for the year ended 31 December 2007.

PRINCIPAL ACTIVITY, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company is a holding company for subsidiaries, which manufacture and sell presentation and office products. The company did not trade during the year and is not expected to trade for the foreseeable future.

RESULTS AND DIVIDENDS

The Company's profit before taxation for the period is £NIL (2006: £NIL).

The directors do not propose the payment of a dividend (2006: £NIL).

DIRECTORS

Directors who served during the period, and up to the signing this report, were as follows:

Mr N Fenwick	
Mr P Munk	
Mr R Guest	(Resigned 13 February 2007)
Mrs E Davies	(Appointed 30 January 2008)

ACCO EUROPE LIMITED

**DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2007**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order 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 s234ZA of the Companies Act 1985.

Oxford House
Oxford Road
Aylesbury
Buckinghamshire
HP21 8SZ

By order of the Board

Richard Geddie

R M Geddie
Secretary
27th February 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACCO EUROPE LIMITED

We have audited the financial statements of ACCO Europe Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
West London

27 February 2009

ACCO EUROPE LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2007

	Notes	2007 £'000	2008 £'000
Income from shares in group undertakings		-	-
Administrative income		-	-
Operating profit		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax charge on profit on ordinary activities	3	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	2	-	-
Dividends	4	-	-
PROFIT FOR THE FINANCIAL YEAR		-	-

All results derive from continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the result for the year stated above and their historical cost equivalents.

The Company has no recognised gains or losses other than the loss stated above and therefore no separate statement of total recognised gains and losses has been presented.

ACCO EUROPE LIMITED

BALANCE SHEET
as at 31 December 2007

	<u>Notes</u>	<u>2007</u> <u>£'000</u>	<u>2006</u> <u>£'000</u>
FIXED ASSETS			
Investments	5	98,228	97,433
CURRENT ASSETS			
Debtors	6	9	9
Cash at bank and in hand		19	19
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>98,256</u>	<u>97,461</u>
CAPITAL AND RESERVES			
Called up share capital	7	301	301
Share premium account	8	81,834	81,834
Other reserves	8	2,543	2,543
Profit and loss account	8	<u>13,578</u>	<u>12,783</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>98,256</u>	<u>97,461</u>

The financial statements on pages 5 to 9 were approved by the board of directors on 27th February 2009 and were signed on its behalf by :



E Davies
Director

ACCO EUROPE LIMITED

Notes to the financial statements for the year ended 31 December 2007

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. The principal accounting policies, have been applied consistently throughout the period, except for the adoption of new accounting policies as set out below.

a) Cash flow statement

Under FRS 1 (revised 1996) 'Cash Flow Statements', subsidiary undertakings are not required to present a cash flow statement where 90% or more of the voting rights are controlled within the group, provided that consolidated financial statements in which those subsidiary undertakings are included are publicly available. Accordingly, the company has not produced a cash flow statement, as the cashflows are included in the financial statements of the ultimate parent company, ACCO Brands Corporation which are publicly available (note 10).

b) Investments

Investments are stated at purchase cost less amounts written off to reflect any impairment of the carrying value. Investments are reviewed on an annual basis by management to ensure that no diminution in value has occurred. An impairment would be charged where the fair value per the review has fallen below the carrying value.

The financial statements contain information about ACCO Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228A of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the publicly available consolidated financial statements of its ultimate parent, ACCO Brands Corporation, a company incorporated in the USA.

ACCO Europe Limited is a wholly owned subsidiary of ACCO Brands Europe Limited.

c) Taxation and deferred tax

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore 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 substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

d) Share options

In accordance with FRS 20 the fair value of equity-settled share-based payments to employees of the company's subsidiaries is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the company's estimate of shares or options that will eventually vest. The company accounts for the share-based payments made in its subsidiaries as an increase in the investments made in those subsidiaries.

e) Reporting financial performance

During the year an amendment to FRS 3 "Reporting financial performance" became effective, and has been adopted by the company. There is no impact on the financial statements arising from the adoption of this amendment.

2 EMPLOYEE COSTS AND AUDITORS' REMUNERATION

Staff costs

The company had no employees during the year (2006: Nil).

Directors' emoluments and auditors' remuneration

No directors received emoluments in the year in respect of their services to ACCO Europe Limited (2006: £Nil). Directors' emoluments were borne by another group company, ACCO UK Limited and were in respect of services to that company.

The auditors' remuneration was borne by another group company, ACCO UK Limited, in both the current and the prior year.

ACCO EUROPE LIMITED

Notes to the financial statements for the year ended 31 December 2007 (continued)

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge in year

	2007	2006
	£'000	£'000
Current tax:		
UK corporation tax on profits of the year at 30% (2006: 30%)	-	-
Non-taxable income	-	-
Tax on profit on ordinary activities	-	-

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2006: lower) than the standard rate of corporation tax in the UK (30%).
The differences are explained below:

	2007	2006
	£'000	£'000
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate in the UK 30% (2006: 30%)	-	-
Effects of:		
Non-taxable income	-	-
Current tax charge for the year	-	-

4 DIVIDENDS

Equity ordinary shares of £1 each

Dividend paid £NIL (2006: £NIL)

5 INVESTMENTS

Cost and net book value

	2007
	£'000
At beginning of year	97,433
Increase in investment in respect of share based payments	795
At end of year	98,228

In the prior year, the company adopted FRS 20, 'Share based payments'. The company has reflected the charge for share based payments in its subsidiaries and has reflected this as an increased investment in subsidiaries. The impact on the profit for the year was £Nil (2006: nil) and on net assets was £795k (2006: £1,089k).

Principal Group Investments

The company has interests in the following companies. All trading subsidiaries are engaged in the manufacture and distribution of office products and of office products and all subsidiaries are wholly owned (where the company owns 100% of the ordinary share capital) unless otherwise stated.

Directly owned:

Incorporated in the United Kingdom

Trading:

Day-Timers Europe Limited

Non-trading:

ACCO-Rexel Group Services Limited

Indirectly owned:

Incorporated in the United Kingdom

Trading:

ACCO UK Limited

ACCO Eastlight Limited

ACCO-Rexel (Northern Ireland) Limited

Non-trading:

Nobo Group Limited

Nobo UK Limited

Elite Optics Limited

Velos- Perforax Limited

Country of Incorporation

Ireland

Australia

France

Germany

Switzerland

Czech Republic

Entity

ACCO-Rexel Limited (66.67%)

ACCO Australia Pty Limited

ACCO Brands France SAS

Artois SA

ACCO Deutschland GmbH & Co KG

Hetzel GmbH

ACCO Czech AS

The directors believe that the book value of investments is not less than the value of the underlying net assets.

ACCO EUROPE LIMITED

Notes to the financial statements for the year ended 31 December 2007 (continued)

6 DEBTORS

	2007	2006
	£'000	£'000
Amounts owed by group undertakings	<u>9</u>	<u>9</u>

7 CALLED UP SHARE CAPITAL

	2007	2006
	£'000	£'000
<u>Authorised</u>		
100,000,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<u>Allotted, called-up and fully paid</u>		
300,989 (2006: 300,989) Ordinary shares of £1 each	<u>301</u>	<u>301</u>

8 COMBINED STATEMENT OF MOVEMENT ON RESERVES AND RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share Premium £'000	Other Reserves £'000	Profit and loss £'000	Total £'000
At 1st January 2007	81,834	2,543	12,783	97,160
Credit in respect of share based payments	-	-	795	795
At 31st December 2007	<u>81,834</u>	<u>2,543</u>	<u>13,578</u>	<u>97,955</u>

9 RELATED PARTY TRANSACTIONS

Under FRS 8 'Related Party Disclosures' the company has taken advantage of the exemption from disclosing related party transactions for subsidiary undertakings 90% or more of whose voting rights are controlled within the group and whose parent produces publicly available accounts. Accordingly, transactions with group companies are not disclosed separately.

10 ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The company's immediate parent company is ACCO Brands Europe Limited.

The ultimate parent and controlling party is ACCO Brands Corporation, a company incorporated in the State of Delaware in the USA. The consolidated financial statements of ACCO Brands Corp. may be obtained from their offices at 300 Tower Parkway, Lincolnshire, Illinois 60069 - 3640, USA and are publicly available.