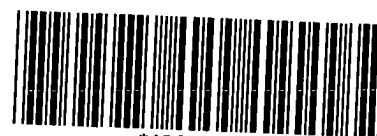


ACCO EUROPE LIMITED

Registered Number 02142086

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2021

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COMPANIES HOUSE

Company Information

Directors

N Fenwick (resigned 1 August 2022)
D O'Connor (appointed 1 August 2022)
C Hopkinson
P Schneider

Secretary

Vacant - K Prior (resigned 17 January 2022)

Company Number

02142066

Auditor

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Banker

Bank of America
2 King Edward Street
London
EC1A 1HQ

Registered Office

Oxford House
Oxford Road
Aylesbury
Bucks
HP21 8SZ

ACCO EUROPE LIMITED

Strategic report for the year ended 31 December 2021

Principal activity

The company is a holding company for subsidiaries, which manufacture and sell presentation and office products.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Business review

The company did not trade during the year. The company does not intend to trade in 2022. Given the straightforward nature of the business, the company's director is of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

The company's profit before taxation for the period is £4,626k (2020: £3,483k). Dividends were paid to the company's parent ACCO Brands Europe Limited in 2021 of £7,682k (2020: nil).

Future outlook

Demand for our products has recovered since the downturn during the COVID19 pandemic, and the company will continue to optimise the results achieved within the current environment. We appreciate that there are challenges around inflation, energy costs and cost of living in the short to medium term. We continue with mitigating actions, such as pricing reviews and have a portfolio of products to meet market requirements. This is being exhibited by strong performances in the Kensington and Derwent brands plus the continued establishment of gaming products under the new PowerA brand, all helping to mitigate against the reduction in sales in other office product categories.

The going concern of the company is discussed in more detail in the directors report.

Section 172 Companies Act 2006

The Board's primary responsibility is to promote the long-term success of ACCO Europe Limited and delivering sustainable shareholder value as well as contributing to wider society. The successful delivery of the long-term plans rely on key inputs and positive relationships with a number of stakeholders. The Board endeavours to achieve this by setting out its strategy, monitoring this against strategic objectives and reviewing its implementation of the strategy.

A formal schedule of matters reserved for Board approval is maintained and reviewed regularly and includes the strategy and long-term direction, reviewing health and safety performance, approval of budgets, capital expenditure, organisational changes and any changes in policy. The Board also monitors the effectiveness of systems of internal control, governance and risk management.

The Board delegates authority for all day-to-day management of ACCO Europe Limited to the appropriate leadership teams for itself and the underlying subsidiaries.

Activities of the Board in 2021

The Board operates a forward agenda of standing items appropriate to ACCO Europe Limited's operating and reporting cycles. Engaging with stakeholders to deliver long term success and sustainability is a key area of focus for the Board and all decisions consider the impact on stakeholders. Views of stakeholders are gathered and considered by the Board when making decisions in Board meetings. Although stakeholders are impacted differently by these decisions, the Board's priority is to ensure that the Directors have acted both individually and collectively, and in good faith, in a way that they consider would be most likely to promote the success of ACCO Europe Limited for the benefit of all of its members as a whole and with regard to the matters set out in paragraphs a to f of Section 172 of the Companies Act 2006. These details are set out below:

Section 172	Decisions/interactions
a) the likely consequences of any decisions in the long term.	ACCO Europe Limited is a subsidiary of the NYSE-listed ACCO Brands Corporation. As such, it follows a number of corporately defined processes as regards forecasting, risk management and overall resilience. There are regular forecasts and reviews of the current year forecasts. These occur at least quarterly, and are in addition to a longer term strategic forecast which is prepared annually. Targets are set and agreed, in conjunction with the US parent, and financial resources are appropriately allocated. Whilst ACCO Europe Limited remains self-sufficient and operates with that ongoing objective, it also has the benefit that it remains part of a group that is well funded financially with headroom available against its funding availability. Hence, if support were needed on a short term basis, this would be provided from within the group. The Directors also consider internal and external risks on at least an annual basis, with a Corporate risk register being maintained. In doing this, the Corporation ensures that all significant risks are mitigated and managed.
b) the interests of the company's employees.	ACCO Europe Limited is an intermediate holding company with no employees of its own. Please refer to the financial statements of our subsidiaries for details of how they act in regard to their employees' interests, in so far as local regulations require them to disclose.
c) the need to foster the company's business relationships with suppliers, customers and others, and e) the desirability of the company maintaining a reputation for high standards of business conduct.	The Board understands the importance to foster good relations with all its business stakeholders and also to monitor those within the subsidiaries. As part of a multinational group of companies, ACCO Europe Limited is able to benefit from group arrangements with a number of key global or regional suppliers and customers in addition to local contractual arrangements. Our customers expect the highest global standards when acquiring our range of products and the ACCO Brands group works closely with our suppliers to provide those products sourced with the highest ethical and security standards in compliance with laws in the countries in which it conducts business. The ACCO Brands Global Social Responsibility Policy which details the range of standards is available on the group website. Also available on the group website is the UK Modern Slavery Act statement and the ACCO Brands Anti-Bribery and Anti-Corruption Policy outlining the standards by which all employees, officers, agents and business partners of ACCO Brands, and all its subsidiaries, must abide. Other key business relationships include working closely with the independent pension trustees of the subsidiaries defined benefit pension plans providing the trustees with regular updates on the company financial results and agreeing medium and long term pension funding arrangements on a sustainable basis for the business.

ACCO EUROPE LIMITED

Strategic report (continued)
for the year ended 31 December 2021

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 key business risks and uncertainties affecting the company are considered to relate to competition in the markets of the company's subsidiaries and also economic conditions that impact the company's borrowings. The board of the company monitors the performance of the trading companies and takes advantage of the parent company's treasury function, which monitors economic conditions, in order to mitigate these risks.

Financial Risk Management

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk, interest rate risk and foreign exchange risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

In order to ensure stability of cash out flows and hence manage interest rate risk, the company utilises the knowledge and experience of its group treasury function to actively manage the borrowing requirements of the company. The company has borrowings from both group companies and third-party finance providers; the make-up and monitoring of these facilities is carried out by the group treasury function.

The directors have the responsibility of monitoring the financial risk to the company but utilise the expertise of the treasury department of the ultimate parent company, ACCO Brands Corporation. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Price risk

The company has no exposure to equity securities price risk as it holds no listed equity investments.

Credit risk

Where debt finance is utilised, this is subject to pre-approval by the group treasury department, who will advise the board of directors. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

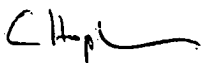
Interest rate cash flow risk

The rate of interest earned/paid on the company's cash balances/loans & overdrafts are monitored on an ongoing basis by continuing review of rates available in the market. Deposits, loans and overdrafts are made with reference to these rates, in conjunction with projections of future cash requirements. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Foreign exchange risk

The company has both borrowings and loans both in its functional currency and in Euros. This means that the company is subject to foreign exchange risk on these balances. In order to mitigate these risks, the group treasury function performs foreign currency hedges, with the parent holding any assets or liabilities setup as part of the hedging process. Gains or losses that relate to the funds belonging to the company are recharged from the parent.

By order of the Board



C Hopkinson
Director
Office address:
Oxford House,
Oxford Road
Aylesbury
Buckinghamshire
HP21 8SZ
Date:

16 SEP 2022

ACCO EUROPE LIMITED

Directors' report
for the year ended 31 December 2021

The directors present their annual report and audited financial statements for the year ended 31 December 2021.

Principal activity, business review and future developments

The company is a holding company for subsidiaries, which manufacture and sell presentation and office products.

Results and dividends

The company's profit before taxation for the period is £4,626k (2020: £3,483k). Dividends were paid to the company's parent ACCO Brands Europe Limited in 2021 of £7,682k (2020: nil).

Directors

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

N Fenwick (resigned 1 August 2022)
D O'Connor (appointed 1 August 2022)
C Hopkinson
P Schneider

Directors and officer's liability insurance

The Company maintains appropriate directors and officers liability insurance in respect of itself and its directors.

Disabled employees and employee consultation

ACCO Europe Limited is an intermediate holding company with no employees of its own. Please refer to the financial statements of our subsidiaries for details of how they act in regard to their employees' interests, in so far as local regulations require them to disclose.

Suppliers and customers

The Board understands the importance to foster good relations with all its business stakeholders. As part of a multinational group of companies, ACCO Europe Limited and its subsidiaries are able to benefit from group arrangements with a number of key global or regional suppliers and customers in addition to local contractual arrangements. Our customers expect the highest global standards when acquiring our range of products and the ACCO Brands group works closely with our suppliers to provide those products sourced with the highest ethical and security standards in compliance with laws in the countries in which it conducts business.

Creditor payment policy

The company and its subsidiaries does not follow any code or standard on payment practice as it is the company's policy to settle creditors promptly on mutually agreed terms. The terms will vary from supplier to supplier and the suppliers will be aware of the terms of payment.

Carbon Reporting

Carbon reporting is done for ACCO Europe Limited only and not its subsidiaries. Therefore as ACCO Europe Limited is below the 40,000 kwh threshold it is exempt for any disclosures in this regard.

Going concern

Notwithstanding the Company's net current liabilities of £149,148k (2020: £146,092k) the financial statements have been prepared on a going concern basis. The directors have received written confirmation from the ultimate parent undertaking that it will provide financial and other support as may be required to pay back any intercompany balances that may be called in. This will continue for the foreseeable future, and for a period of at least 12 months from the signing of these financial statements.

Demand for our products has recovered since the downturn during the COVID19 pandemic, and the company will continue to protect and enhance the company results within the current environment. It is appreciated that there are challenges around inflation, energy costs and cost of living in the short to medium term. We will continue with mitigating actions, such as pricing reviews and development of a portfolio of products to meet market requirements. This is being exhibited by strong performances in the Kensington and Derwent brands plus the continued establishment of gaming products under the new PowerA brand, all helping to mitigate against the reduction in sales in other office product categories.

Companies Act 2006

The company has chosen in accordance with Companies Act 2006, 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the director's report. It has done so in respect of financial instruments.

Political contributions

The company made no political donations or incurred any political expenditure during the year.

ACCO EUROPE LIMITED

Directors' report (continued)
for the year ended 31 December 2021

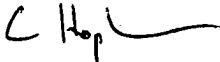
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Auditor

Pursuant to Section 487 (2) of the Companies Act 2006, the auditor, RSM UK Audit LLP, was deemed to be re-appointed.

By order of the Board



C Hopkinson
Director
Office address:
Oxford House,
Oxford Road
Aylesbury
Buckinghamshire
HP21 8SZ
Date:

16 SEP 2022

ACCO EUROPE LIMITED

**Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements
for the year ended 31 December 2021**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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 of accounting unless it is inappropriate 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCO EUROPE LIMITED

Opinion

We have audited the financial statements of ACCO Europe Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCO EUROPE LIMITED (continued)

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, reviewing board minutes, and enquiring of management to identify tax compliance issues.

The audit engagement team identified the risk of management override of controls and the valuation of investments as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates applied in the valuation of investments.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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 auditor's 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.

Christopher Tate

Christopher Tate (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 16 September 2022

ACCO EUROPE LIMITED

Income Statement and Other Comprehensive Income
for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Income from shares in group undertakings		7,682	6,682
Administrative expenses		(108)	(299)
Interest payable and similar charges		(2,950)	(2,900)
Operating profit		4,626	3,483
PROFIT BEFORE TAXATION		4,626	3,483
Tax charge on profit on ordinary activities	3	-	-
PROFIT FOR THE FINANCIAL YEAR		4,626	3,483
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		4,626	3,483

The accompanying notes on pages 13 to 18 form part of the financial statements.

ACCO EUROPE LIMITED
Statement of Financial Position
as at 31 December 2021

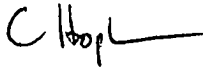
	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Investments	4	548,324	547,742
CURRENT ASSETS			
Debtors	5	153	225
Creditors: amounts falling due within one year	7	(149,301)	(146,317)
NET CURRENT LIABILITIES		<u>(149,148)</u>	<u>(146,092)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>399,176</u>	<u>401,650</u>
NET ASSETS		<u>399,176</u>	<u>401,650</u>
CAPITAL AND RESERVES			
Called up share capital	8	5,301	5,301
Share premium account		10,218	10,218
Other reserves	9	2,543	2,543
Profit and loss account		<u>381,114</u>	<u>383,588</u>
TOTAL SHAREHOLDERS' FUNDS		<u>399,176</u>	<u>401,650</u>

The accompanying notes on pages 13 to 18 form part of the financial statements.

The financial statements were approved by the board of directors on

16 SEP 2022

and were signed on its behalf by:



C Hopkinson
Director

Registered Number 02142066

ACCO EUROPE LIMITED

Statement of Changes in Equity

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2020	5,301	10,218	2,543	379,532	397,594
Profit and total comprehensive income for the year	-	-	-	3,483	3,483
Dividend paid	-	-	-	-	-
Issue of shares	-	-	-	-	-
Capital reduction	-	-	-	-	-
Credit in respect of share based payments	-	-	-	573	573
At 31 December 2020	5,301	10,218	2,543	383,588	401,650
Profit and total comprehensive income for the year	-	-	-	4,826	4,826
Dividend paid	-	-	-	(7,882)	(7,882)
Credit in respect of share based payments	-	-	-	582	582
At 31 December 2021	5,301	10,218	2,543	381,114	399,176

The accompanying notes on pages 13 to 18 form part of the financial statements.

ACCO EUROPE LIMITED

Notes forming part of the financial statements for the year ended 31 December 2021

1 ACCOUNTING POLICIES

ACCO Europe Limited (the "Company") is a company limited by shares and incorporated and domiciled in England. The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company's ultimate parent undertaking, ACCO Brands Corporation, includes the company in its consolidated financial statements. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of ACCO Brands Corporation include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

a) Going concern

Notwithstanding the Company's net current liabilities of £149,148k the financial statements have been prepared on a going concern basis. The directors have received written confirmation from the ultimate parent undertaking that it will provide financial and other support as may be required to pay back any intercompany balances that may be called in. This will continue for the foreseeable future, and for a period of at least 12 months from the signing of these financial statements.

Demand for our products has recovered since the downturn during the COVID19 pandemic, and the company will continue to protect and enhance the company results within the current environment. It is appreciated that there are challenges around inflation, energy costs and cost of living in the short to medium term. We will continue with mitigating actions, such as pricing reviews and development of a portfolio of products to meet market requirements. This is being exhibited by strong performances in the Kensington and Derwent brands plus the continued establishment of gaming products under the new PowerA brand, all helping to mitigate against the reduction in sales in other office product categories.

b) Investments

Investments are stated at cost less amounts written off to reflect impairment of the fair 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 book value.

c) Taxation and deferred tax

Current and deferred tax is based on the profit for the year and includes all taxation liabilities accruing to the date of the financial statements. 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 and increased or reduced tax liability in the future. 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 a non-discounted basis. Deferred tax assets are recognised when it is more likely than not that they will be recoverable.

d) Share options

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) Basic financial instruments

Trade and other debtors/ creditors

Trade and other debtors are recognised initially at transaction price less attributable transactions costs. Trade and other creditors are recognised initially at transactions price plus attributable transactions costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

f) Consolidation

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 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the publicly available consolidated financial statements of its ultimate parent, ACCO Brands Corporation.

i) Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The key judgement item in these financial statements is valuation of investments. The directors perform a discounted cash flow analysis to assess whether there is an impairment. This includes making key assumptions around revenue growth rates, capital expenditure and discount rates. The directors consider historical results and all available information in performing their discounted cash flow analysis.

ACCO EUROPE LIMITED

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

2 EMPLOYEE COSTS AND AUDITOR REMUNERATION

Staff costs

The company had no employees during the year (2020: Nil).

Directors' emoluments and auditor remuneration

The auditor remuneration was borne by the parent company, ACCO UK Limited (a subsidiary of ACCO Brands Europe Ltd), in both the current and the prior year. No directors received emoluments in the period in respect of their services to ACCO Europe Limited (2020: £Nil). Due to the nature of the operations of the Group, the remuneration of the directors for their services is not contained in the records of the company. The directors are remunerated for their services by other group companies, which is disclosed in the financial statements of the parent company, ACCO UK Limited. Their services to the company are inconsequential to attract a notional charge. The financial statements of ACCO UK Limited are publicly available.

3 TAX RESULT ON ORDINARY ACTIVITIES

a) Tax on profit on ordinary activities

	2021 £'000	2020 £'000
Current tax:		
Current tax on income for the year	-	-
Prior year adjustment	-	-
Overseas tax	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Impact of change in tax rate	-	-
Total deferred tax	-	-
Total tax charge/ (credit)	-	-

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (19%) in 2020 the tax was lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit on ordinary activities before tax	4,826	3,483
Profit on ordinary activities multiplied by the standard rate in the UK of 19% (2020: 19%)	879	662
Effects of:		
Expenses not deductible for tax purposes	13	24
Dividend income not taxable	(1,460)	(1,269)
Expenses not taxable	-	-
Group relief surrendered free of charge	-	-
Adjustments to tax charge in respect of previous periods	-	-
Overseas tax at different rate	-	-
Unrecognised deferred tax	747	583
Tax rate changes during period	(179)	-
Total tax charge / (credit) for the year	(0)	0

Finance Act 2021 was substantively enacted on 24 May 2021 and it increased the main rate of UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred tax balances have therefore been measured at 25% being the future rate at which the timing differences are expected to unwind.

ACCO EUROPE LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

4 INVESTMENTS

	2021	2020
	£'000	£'000
<u>Cost</u>		
At beginning of year	613,053	587,480
Investment in Esselte AB	-	25,000
Increase in investment in ACCO-Rexel Group Services Ltd (in respect of share based payments)	582	573
At end of year	<u>613,635</u>	<u>613,053</u>
<u>Provision for diminution</u>		
At beginning of year	65,311	65,311
At end of year	<u>65,311</u>	<u>65,311</u>
<u>Carrying value</u>		
At end of year	<u>548,324</u>	<u>547,742</u>

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 result for the year was £Nil (2020: £Nil) and on net assets was £582k (2020: £573k).

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 all subsidiaries are wholly owned (where the company owns 100% of the ordinary share capital) unless otherwise stated.

Directly owned:

Trading:

Esselte Sverige AB
Esselte Business BV

Non-trading:

ACCO-Rexel Group Services Limited
Day-Timers Europe Limited

Registered Address

Råsundavägen 6, SE-169 67 Solna, SWEDEN
Industriepark Noord 29, 9100 Sint-Niklaas, Belgium

Registered Address

Oxford House, Oxford Road, Aylesbury, Buckinghamshire, UK, HP21 8SZ
Oxford House, Oxford Road, Aylesbury, Buckinghamshire, UK, HP21 8SZ

ACCO EUROPE LIMITED

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

4 INVESTMENTS (continued)

Indirect Investments:

Acco Brands Australia Holding Pty, Ltd
 ACCO Brands Australia Pty, Limited
 PKART Pty, Limited
 Esselte Office Products GmbH
 Esselte Rapid Stationery (Shanghai) Company Ltd
 Esselte SRO
 Esselte ApS
 Esselte Office Products OY
 ACCO Brands France SAS
 Esselte SAS
 Rapid SAS
 ACCO Deutschland GmbH & Co KG
 Leitz Holding GmbH
 Leitz ACCO Brands GmbH & Co KG
 Leitz Deutschland GmbH
 PBS Network GmbH (30%)
 Esselte Greece Limited
 Esselte Kereskedelmi Kft
 ACCO-Rexel Limited (66,67%)
 Esselte Business Systems BV
 Esselte BV
 Esselte Office Products Holdings BV
 Esselte AS
 Esselte Polska Sp. z o. o.
 Esselte Portugal Comercializacao de
 Equipamentos de Escritorio Lda
 ACCO Brands Portuguesa Lda

S.C. Esselte Sales S.R.L

Esselte OOO
 Esselte SA
 Esselte AB
 Esselte IPR AB
 Isaberg Rapid AB
 Esselte Leitz Switzerland GmbH
 Esselte Leitz Büro Malzemeleri Sanayi ve Ticaret A.S

ACCO Company Limited
 ACCO UK Limited
 Colt Staplers Limited
 Eilams Duplicator Company Limited
 Esselte Trustees Limited
 NOBO Group Limited
 NOBO Office Supplies Limited
 The Cumberland Pencil Company Limited
 Twintock (Ireland) Limited (66,67%)
 Esselte European Holdings LLC
 Esselte Holdings LLC
 Esselte U.S., FV LLC

Registered Address

2 Coronation Avenue, Kings Park, New South Wales, 2148, Australia
 2 Coronation Avenue, Kings Park, New South Wales, 2148, Australia
 2 Coronation Avenue, Kings Park, New South Wales, 2148, Australia
 Ared-Strasse 22, 2544 Leobersdorf, Austria
 No.233-235 FengDeng Road, MaDong Industrial Zone, MaLu, JiaDing, Shanghai, China
 PSČ 14200, V Lužich 818, Prague 4, Czech Republic
 Smedesholm 10, 1., 2730 Hørlev, Denmark
 Klovipellontie 1-3 02180 Espoo, Finland
 9 Avenue Edouard Belin 92500 Ruell-Malmaison, Paris, France
 9 Avenue Edouard Belin 92500 Ruell-Malmaison, Paris, France
 Le Syndicat, 88120 Saint-Arne, France
 Siemensstraße 64, 70469 Stuttgart, Germany
 Siemensstraße 64, 70469 Stuttgart, Germany
 Siemensstraße 64, 70469 Stuttgart, Germany
 Siemensstraße 64, 70469 Stuttgart, Germany
 Rosensteinstraße 9, 70191 Stuttgart, Germany
 72 Voutsinas St. Holargos, Athens, Greece
 1139 Budapest, Lomb utca 37-39, Hungary
 13-18 City Quay, Dublin 2, D02 ED70, Ireland
 Vijzelmolentlaan 6, 3447GX Woerden, The Netherlands
 Vijzelmolentlaan 6, 3447GX Woerden, The Netherlands
 Vijzelmolentlaan 6, 3447GX Woerden, The Netherlands
 Uivenveien 82E, 0581 OSLO, Norway
 ul. Przemysłowa 11A, 26-900 Koźienica, Poland
 Rua Fernando Pessa, n.º 10 A, Cacilhas de Oeiras, 2780-268 Oeiras, Portugal

ZONA INDUSTRIAL-PAÇÓ, Distrito: Viana do Castelo Concelho: Arcos de Valdevez Freguesia:

Paçó, 4970 249 ARCOS DE VALDEVEZ
 Strada Gheorghe Titeica, Nr. 121 C, Mezanin, Sector 2Bucureşti, Romania 020295
 Yamskogo polya 18, 3-ya ul. Moscow, Russia
 Via Augusta 24 - 26, Barcelona, Spain
 Box 115, 330 27 Hestra, Gislaved, Sweden
 Box 115, 330 27 Hestra, Gislaved, Sweden
 Box 115, 330 27 Hestra, Gislaved, Sweden
 Binningerstrasse 99, 4123 Allschwil, Switzerland
 Maslak Mah. Sumer Sok. Ayazaga Ticaret Merkezi, No. 3, K. 2, Maslak / Sariyer, Istanbul, Turkey

Oxford House, Oxford Road, Aylesbury, Buckinghamshire, UK, HP21 8SZ
 Oxford House, Oxford Road, Aylesbury, Buckinghamshire, UK, HP21 8SZ
 Oxford House, Oxford Road, Aylesbury, Buckinghamshire, UK, HP21 8SZ
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 Oxford House, Oxford Road, Aylesbury, Buckinghamshire, UK, HP21 8SZ
 Oxford House, Oxford Road, Aylesbury, Buckinghamshire, UK, HP21 8SZ
 251 Little Falls Drive, Wilmington, Delaware 19808
 251 Little Falls Drive, Wilmington, Delaware 19808
 251 Little Falls Drive, Wilmington, Delaware 19808

The directors believe that the book value of investments is not more than the value of the underlying net assets:

ACCO EUROPE LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

5 DEBTORS

	2021 £'000	2020 £'000
Prepayments	152	224
Amounts owed by group undertakings	1	1
	<u>153</u>	<u>225</u>

Amounts due to/from group undertakings are unsecured, interest free and are repayable on demand.

6 DEFERRED TAXATION

The movement in the deferred tax asset during the year was:

	2021 £'000	2020 £'000
At 31 December 2020	-	-
Deferred tax credit/(debit) in profit and loss account	-	-
Deferred tax credit/(debit) in other comprehensive income	-	-
At 31 December 2021	<u>-</u>	<u>-</u>

The balance of the deferred tax asset consists of:

	2021 £'000	2020 £'000
Accelerated capital allowances	-	-
Other timing differences	-	-
Share based payments	-	-
Tax losses	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The deferred tax asset recognised of £0k (2020: £0k) includes £0k (2020: £0k) expected to reverse within one year.

The company has losses carried forward of £353k (2020: £388k) that are available indefinitely for offset against future taxable profits of the UK group.

The company has interest carried forward of £24m (2020: £21m) available to be carried forward indefinitely for use by the UK group.

A deferred tax asset has not been recognised in relation to timing differences in these accounts due to uncertainty over the availability of future profits against which the timing differences will unwind.

7 CREDITORS: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed to group undertakings	149,168	148,300
Other accruals	133	17
	<u>149,301</u>	<u>148,317</u>

Amounts owed to group undertakings are repayable on demand. The interest rates applicable range between 1.5% and 4%.

8 CALLED UP SHARE CAPITAL

	2021 £'000	2020 £'000
<u>Allotted, called-up and fully paid</u>		
5,300,992 (2020: 5,300,992) Ordinary shares of £1 each	<u>5,301</u>	<u>5,301</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

9 OTHER RESERVES

	Other Reserves £'000
At 1st January 2021	2,543
At 31st December 2021	<u>2,543</u>

Other reserves represent capital contributions made by Acco Brands Corporation for no consideration.

ACCO EUROPE LIMITED

**Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)**

10 RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of ACCO Brands Corporation, the company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

11 ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The company's immediate parent company is ACCO Brands Europe Limited. The financial statements of ACCO Brands Europe Limited are publicly available and can be obtained from Companies House in the UK.

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 4 Corporate Drive, Lake Zurich, Illinois 60047 - 8997, USA and are publicly available.