

# ACCO EUROPE LIMITED

Registered Number 02142066

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
for the year ended 31 December 2020



## **Company Information**

### **Directors**

N Fenwick  
C Hopkinson  
P Schneider

### **Secretary**

K Prior

### **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 2020

#### 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 2021. 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 £3,483k (2019: £184,708k). No dividends were paid to the company's parent ACCO Brands Europe Limited in 2020 (2019: nil).

#### Exiting the European Union

On 23 June 2016, the UK electorate voted to discontinue its membership of the EU. The directors does not believe that the impact of Brexit will be significant as the entity does not trade and subsidiaries do not have significant operations in the UK.

#### Future outlook

During the early part of 2020 there was a significant reduction in demand for our products due to the outbreak of the COVID19 pandemic, resulting in the Company implementing a number of actions within its' subsidiaries to mitigate the impact. The main areas of action were the utilisation of available Government support scheme such as the furlough of staff and postponing tax payments, implementing voluntary pay reductions for several months, reducing inventory purchases and marketing spend, stopping all business travel and closing office based sites and part closing distribution and production facilities. Currently and going forward all business processes are under review to continue maximise net cash inflows which helped to mitigate where possible the negative impacts of the business downturn resulting from the COVID19 situation. The subsidiaries operating results recovered positively in 2020 and this continues into 2021.

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 2020

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.

**Strategic report (continued)**  
for the year ended 31 December 2020

**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**

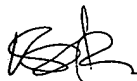
The rate of interest earned/paid on the company's cash balances/loans & overdrafts are monitored on an ongoing basis by continuing review of rates available in the market. Deposits, loans and overdrafts are made with reference to these rates, in conjunction with projections of future cash requirements. 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

K Prior  
Company Secretary  
Office address:  
Oxford House,  
Oxford Road  
Aylesbury  
Buckinghamshire  
HP21 8SZ



Date: 24 SEPTEMBER 2021

## ACCO EUROPE LIMITED

### Directors' report for the year ended 31 December 2020

The directors present their annual report and audited financial statements for the year ended 31 December 2020.

#### 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 £3,483k (2019: £184,708k). No dividends were paid to the company's parent ACCO Brands Europe Limited in 2020 (2019: nil).

#### Directors

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

N Fenwick  
C Hopkinson  
W Thomas (resigned 22 May 2020)  
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 £146,092k (2019: £124,549k) 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.

During 2020 there was a significant reduction in demand for our products due to the outbreak of the COVID19 pandemic, resulting in the Company implementing a number of actions within its' subsidiaries to mitigate the impact. The main areas of action were the utilisation of available Government support scheme such as the furlough of staff and postponing tax payments, reducing inventory purchases and marketing spend, stopping all business travel and closing office based sites and part closing distribution and production facilities. Currently and going forward all business processes are under review to continue maximise net cash inflows which helped to mitigate where possible the negative impacts of the business downturn resulting from the COVID19 situation. The subsidiaries operating results recovered positively in 2020 and this continues into 2021.

Economic recovery was underway towards the end of 2020 with an expectation that further recovery and normalisation will be achieved in 2021 as vaccination programmes are rolled out and the previous restrictions on economic activity are gradually relaxed.

#### 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 2020

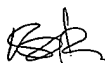
**Disclosure of information to auditors**

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



K Prior

Company Secretary

Office address:

Oxford House,

Oxford Road

Aylesbury

Buckinghamshire

HP21 8SZ

Date: 24 SEPTEMBER 2021

**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 2020**

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 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 2020 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 2020 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

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.

RSM UK Audit LLP

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: 24 SEPTEMBER 2021

ACCO EUROPE LIMITED

**Income Statement and Other Comprehensive Income**  
for the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Income from shares in group undertakings		6,682	197,655
Administrative expenses		(299)	(372)
Impairment of investment	4	-	(6,458)
Interest payable and similar charges		(2,900)	(6,117)
Operating profit		3,483	184,708
<b>PROFIT BEFORE TAXATION</b>		3,483	184,708
Tax charge on profit on ordinary activities	3	-	(26)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		3,483	184,682
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		3,483	184,682

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

ACCO EUROPE LIMITED

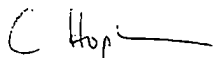
**Statement of Financial Position**  
as at 31 December 2020

	Notes	2020 £'000	2019 £'000
<b>FIXED ASSETS</b>			
Investments	4	547,742	522,169
<b>CURRENT ASSETS</b>			
Debtors	5	225	309
Creditors: amounts falling due within one year	7	(146,317)	(124,884)
<b>NET CURRENT LIABILITIES</b>		<u>(146,092)</u>	<u>(124,575)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>401,650</u>	<u>397,594</u>
<b>NET ASSETS</b>		<u>401,650</u>	<u>397,594</u>
<b>CAPITAL AND RESERVES</b>			
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>383,588</u>	<u>379,532</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>401,650</u>	<u>397,594</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 24.09.2021

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
<b>At 1 January 2019</b>	5,301	3,760	2,543	194,308	205,912
Profit and total comprehensive income for the year	-	-	-	184,682	184,682
Dividend paid	-	-	-	-	-
Issue of shares	-	6,458	-	-	6,458
Capital reduction	-	-	-	-	-
Credit in respect of share based payments	-	-	-	542	542
<b>At 31 December 2019</b>	<b>5,301</b>	<b>10,218</b>	<b>2,543</b>	<b>379,532</b>	<b>397,594</b>
Profit and total comprehensive income for the year	-	-	-	3,483	3,483
Credit in respect of share based payments	-	-	-	573	573
<b>At 31 December 2020</b>	<b>5,301</b>	<b>10,218</b>	<b>2,543</b>	<b>383,588</b>	<b>401,650</b>

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

**Notes forming part of the financial statements  
for the year ended 31 December 2020**

**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 £146,902k 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.

During 2020 there was a significant reduction in demand for our products due to the outbreak of the COVID19 pandemic, resulting in the Company implementing a number of actions within its' subsidiaries to mitigate the impact. The main areas of action were the utilisation of available Government support scheme such as the furlough of staff and postponing tax payments, reducing inventory purchases and marketing spend, stopping all business travel and closing office based sites and part closing distribution and production facilities. Currently and going forward all business processes are under review to continue maximise net cash inflows which helped to mitigate where possible the negative impacts of the business downturn resulting from the COVID19 situation. The subsidiaries operating results recovered positively in 2020 and this continues into 2021.

Economic recovery was underway towards the end of 2020 with an expectation that further recovery and normalisation will be achieved in 2021 as vaccination programmes are rolled out and the previous restrictions on economic activity are gradually relaxed.

**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 substantially 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 2020 (continued)

2 EMPLOYEE COSTS AND AUDITOR REMUNERATION

Staff costs

The company had no employees during the year (2019: 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 (2019: £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

	2020 £'000	2019 £'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	-	26
Impact of change in tax rate	-	-
Total deferred tax	-	26
Total tax charge/ (credit)	-	26

c) 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 2019 the tax was lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	3,483	184,708
Profit on ordinary activities multiplied by the standard rate in the UK of 19% (2019: 19%)	662	35,095
Effects of:		
Expenses not deductible for tax purposes	24	1,252
Dividend income not taxable	(1,270)	(37,554)
Expenses not taxable	-	-
Group relief surrendered free of charge	-	-
Adjustments to tax charge in respect of previous periods	-	26
Overseas tax at different rate	-	-
Unrecognised deferred tax	583	1,080
Tax rate changes during period	-	127
Total tax charge / (credit) for the year	(0)	26

The main rate of UK corporation tax rate has been 19% since 1 April 2017. Finance Act 2016 intended to reduce the rate to 17% from 1 April 2020, and the impact of this rate reduction was already effected in previous years financial statements. However Finance Act 2020 cancelled this rate reduction. As Finance Act 2020 was substantively enacted at the balance sheet date, adjustment has been made within these accounts for this change in rate at which future timing differences are expected to unwind.

Finance Act 2021 announced a future increase in the rate of UK corporation tax from 19% to 25% from 1 April 2023, but this change was not yet substantively enacted at the balance sheet date, so no adjustment has been made for this additional change in this year's accounts.

ACCO EUROPE LIMITED

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

4 INVESTMENTS

	2020	2019
	£'000	£'000
<b>Cost</b>		
At beginning of year	587,480	586,937
Investment in Esselte AB	25,000	-
Increase in investment in ACCO-Rexel Group Services Ltd (in respect of share based payments)	573	543
At end of year	<b>613,053</b>	<b>587,480</b>
<b>Provision for diminution</b>		
At beginning of year	65,311	65,311
Impairment of Esselte European Holdings (Luxembourg) Sarl	-	-
At end of year	<b>65,311</b>	<b>65,311</b>
<b>Carrying value</b>		
At end of year	<b>547,742</b>	<b>522,169</b>

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 (2019: £Nil) and on net assets was £573k (2019: £543k). The £25,000k investment relates to a capital contribution in Esselte AB.

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.

ACCO Europe Ltd's direct subsidiary Esselte European Holdings (Luxembourg) Srl was dissolved on 2 April 2020, on completion of which ACCO Europe Ltd received 100% of the shares of Esselte Business BV, together with other net assets of value £1,902k.

**Directly owned:**

**Trading:**

Esselte Sverige AB  
Esselte Business BV

**Non-trading:**

ACCO-Rexel Group Services Limited  
Day-Timers Europe Limited  
Esselte Holdings 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  
Oxford House, Oxford Road, Aylesbury, Buckinghamshire, UK, HP21 8SZ

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

**Indirect Investments:**

ACCO Company Limited  
 ACCO UK Limited  
 Colt Staplers Limited  
 Ellams Duplicator Company Limited  
 Esselte Limited  
 Esselte Trustees Limited  
 Esselte UK limited  
 GBC (United Kingdom) Limited  
 NOBO Group Limited  
 NOBO Office Supplies Limited  
 The Cumberland Pencil Company Limited  
 Twinlock (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  
PSC 14200, V Lužich 818, Prague 4, Czech Republic  
Smedeholm 10, 1., 2730 Herlev, Denmark  
Klovinpellontie 1-3 02180 Espoo, Finland  
9 Avenue Edouard Belin 92500 Rueil-Malmaison, Paris, France  
9 Avenue Edouard Belin 92500 Rueil-Malmaison, Paris, France  
Le Syndicat, 88120 Saint-Ame, 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  
Vijzelmolenlaan 6, 3447GX Woerden, The Netherlands  
Vijzelmolenlaan 6, 3447GX Woerden, The Netherlands  
Vijzelmolenlaan 6, 3447GX Woerden, The Netherlands  
Vijzelmolenlaan 6, 3447GX Woerden, The Netherlands  
Vijzelmolenlaan 6, 3447GX Woerden, The Netherlands  
Ulvenveien 82E, 0581 OSLO, Norway  
ul. Przemysłowa 11A, 26-900 Koźienice, Poland  
Rua Fernando Pessa, n.º 10 A, Cacilhas de Oeiras, 2780-268 Oeiras, Portugal

**ZONA INDUSTRIAL-PAÇÔ, Distrito: Viana do Castelo Concelho: Arcos de Valdevez Freguesia: Paçô, 4970 249 ARCOS DE VALDEVEZ**  
**Strada Gheorghe Țițeica, Nr. 121 C, Mezanin, Sector 2București, 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**  
**Box 115, 330 27 Hestra, Gislaved, Sweden**  
**Binningerstrasse 99, 4123 Allschwil, Switzerland**  
**Maslak Mah. Sumer Sok. Avazaqa Ticaret Merkezji. No. 3. K. 2. Maslak / Sarıyer, Istanbul, Turkey**

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 2020 (continued)

5 DEBTORS

	2020 £'000	2019 £'000
Prepayments	224	296
Amounts owed by group undertakings	1	12
	<u>225</u>	<u>309</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:

	2020 £'000	2019 £'000
At 31 December 2019	-	26
Deferred tax credit/(debit) in profit and loss account		(26)
Deferred tax credit/(debit) in other comprehensive income	-	
At 31 December 2020	<u>-</u>	<u>-</u>

The balance of the deferred tax asset consists of:

	2020 £'000	2019 £'000
Accelerated capital allowances	-	-
Other timing differences	-	-
Share based payments	-	-
Tax losses	-	-
	<u>-</u>	<u>-</u>

The deferred tax asset recognised of £0k (2019: £0k) includes £0k (2019: £0k) expected to reverse within one year.

The company has losses carried forward of £388k (2019: £316k) that are available indefinitely for offset against future taxable profits of the UK group.

The company has interest carried forward of £21m (2019: £18m) 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

	2020 £'000	2019 £'000
Amounts owed to group undertakings	146,300	124,604
Trade creditors	-	21
Other accruals	17	259
	<u>146,317</u>	<u>124,884</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

	2020 £'000	2019 £'000
<u>Allotted, called-up and fully paid</u>		
5,300,992 (2019: 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 2020	2,543
At 31st December 2020	<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 2020 (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.