

OS AA01

Statement of details of parent law and other  
information for an overseas company



Companies House

✓ What this form is for  
You may use this form to  
accompany your accounts  
disclosed under parent law

✗ What this form is NOT for  
You cannot use this form to  
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with accounting requiremen

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23/06/2015

#83

COMPANIES HOUSE

**Part 1** Corporate company name

Corporate name of overseas company ① Spicers Administracion y Servicios SL

UK establishment number B R 0 1 5 7 5 9

→ Filling in this form  
Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state

**Part 2** Statement of details of parent law and other  
information for an overseas company

**A1** Legislation

Please give the legislation under which the accounts have been prepared and,  
if applicable, the legislation under which the accounts have been audited

Legislation ② SPAIN

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts

**A2** Accounting principles

Accounts Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box

☐ No Go to Section A3

☒ Yes. Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3

Name of organisation or body ③ Instituto de Contabilidad y Auditoria de Cuentas (ICAC)

③ Please insert the name of the  
appropriate accounting organisation  
or body

**A3** Accounts

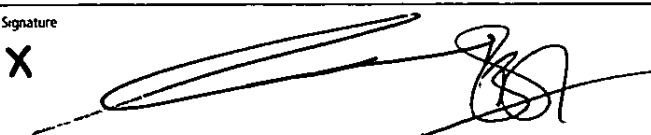
Accounts Have the accounts been audited? Please tick the appropriate box

☒ No. Go to Section A5

☐ Yes Go to Section A4

## OS AA01

### Statement of details of parent law and other information for an overseas company

<b>A4 Audited accounts</b>	
Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box</p> <p><input type="checkbox"/> No Go to <b>Part 3 'Signature'</b></p> <p><input type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those standards below, and then go to <b>Part 3 'Signature'</b></p>
Name of organisation or body <sup>①</sup>	<p><sup>①</sup> Please insert the name of the appropriate accounting organisation or body</p>
<b>A5 Unaudited accounts</b>	
Unaudited accounts	<p>Is the company required to have its accounts audited?</p> <p>Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes</p>
<b>Part 3 Signature</b>	
Signature	<p>I am signing this form on behalf of the overseas company</p> <p>Signature</p> <p>X  X</p> <p>This form may be signed by Director, Secretary, Permanent representative</p>

# OS AA01

Statement of details of parent law and other information for an overseas company



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Intertrust (UK) Ltd

Address

11 Old Jewry, 7th Floor

Post town

London

County/Region

Postcode

E C 2 R 8 D U

Country

United Kingdom

DX

Telephone

0207 776 9700



## Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following.

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form



## Important information

Please note that all this information will appear on the public record



## Where to send

You may return this form to any Companies House address

### England and Wales

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

### Scotland

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

### Northern Ireland

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 N R Belfast 1



## Further information

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This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

**ADVEO ADMINISTRACION Y SERVICIOS, S.L.**  
**(Sole Shareholder Company)**  
**Annual Financial Statements and Management Report**  
**for the fiscal year ending on**  
**31December 2013**



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23/06/2015 #84  
COMPANIES HOUSE



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- Cash flow statement for the fiscal year ended on 31 December 2013
- Notes to the financial statements for the fiscal year ended on 31 December 2013
- Management report for the fiscal year ended on 31 December 2013

### PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT

**ADVEO ADMINISTRACION Y SERVICIOS, S.L. (Sole Shareholder Company)**  
**Balance sheet to 31 December 2013**  
 (All amounts are expressed in euros)

<b>ASSETS</b>	<b>Notes</b>	<b>2013</b>	<b>2012</b>
<b>NON-CURRENT ASSETS</b>		<b>22,164,064</b>	<b>17,738,137</b>
Intangible assets	5	927,886	13,885,435
Goodwill		-	5,711,840
Client portfolio		-	6,860,873
Brands		-	200,000
Computer applications		-	136,293
Industrial property		6,994	-
Current intangible fixed assets		920,892	913,853
Other intangible assets		-	62,576
Tangible fixed assets	6	-	552,053
Land and buildings		-	1,727
Technical installations and other tangible fixed assets		-	550,326
Long-term investments in subsidiaries and associated companies	7	21,228,455	2,744,725
Equity instruments		21,228,455	2,744,725
Long-term financial investments		7,723	7,962
Other financial assets		7,723	7,962
Deferred tax assets		-	547,962
<b>CURRENT ASSETS</b>		<b>7,644,941</b>	<b>34,410,985</b>
Inventory	9	-	5,794,252
Goods		-	5,770,015
Advances to suppliers		-	24,237
Trade accounts receivable and other receivables		3,700,427	19,504,793
Customer receivables for sale and services	8	1,138,000	15,812,051
Debt payable to subsidiaries and associated companies	8 and 16	1,532,707	1,643,699
Sundry debtors	8	959,911	229,485
Other Public Administration receivables	14	69,809	1,819,558
Short-term investments in subsidiaries and associated companies	16	2,640,437	3,715,582
Other financial assets		2,640,437	3,715,582
Short-term accruals and deferrals		1,336	120,757
Cash and cash equivalents	10	1,302,741	5,275,601
Liquid assets		1,302,741	5,275,601
<b>TOTAL ASSETS</b>		<b>29,809,005</b>	<b>52,149,122</b>

**ADVEO ADMINISTRACION Y SERVICIOS, S.L. (Sole Shareholder Company)**  
**Balance sheet to 31 December 2013**  
(All amounts are expressed in euros)

<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>2013</b>	<b>2012</b>
<b>EQUITY</b>		<b>27,342,033</b>	<b>26,329,048</b>
<b>CAPITAL AND RESERVES</b>		<b>27,342,033</b>	<b>26,329,048</b>
Capital	11.1	2,029,388	2,265,566
Registered capital		2,029,388	2,265,566
Capital surplus	11.2	17,824,532	20,363,009
Income for year	3	3,787,640	3,717,942
Reserves and unallocated income	11.2	3,700,473	(17,469)
Statutory reserve		371,794	-
Goodwill reserve		185,897	-
Unallocated income		3,142,782	(16,513)
Losses from previous years		-	(956)
<b>NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>2,234,001</b>
Long-term personnel benefits	12.1	-	115,739
Long-term personnel remuneration		-	115,739
Deferred tax liabilities	14	-	2,118,262
<b>CURRENT LIABILITIES</b>		<b>2,466,972</b>	<b>23,586,073</b>
Debt payable to subsidiaries and associated companies	16	324,182	5,320,736
Loans to subsidiaries		324,182	5,320,736
Trade accounts payable and other payables		2,142,790	18,265,337
Suppliers	13	7,505	13,602,034
Subsidiary suppliers		550,581	-
Sundry creditors	13	194,763	913,978
Personnel (salary payable)	13	126,000	532,933
Current tax liabilities	14	1,178,865	2,190,184
Other Public Administration payables	14	85,076	1,026,208
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,809,005</b>	<b>52,149,122</b>



**ADVEO ADMINISTRACION Y SERVICIOS, S.L. (Sole Shareholder Company)**  
**Profit and loss statement for the fiscal year ended on 31 December 2013**  
(All amounts are expressed in euros)

	Notes	2013	2012(*)
<b>CONTINUING OPERATIONS</b>			
Net turnover	15 1	7,858,052	62,691,866
Sales		-	54,765,883
Service-provision		7,858,052	7,925,983
Work by company for its assets	5	-	710,493
Supplies	15 2	-	(38,494,858)
Other operating expenses		1,449,370	75,720
Personnel expenses		(359,566)	(6,991,492)
Wages, salaries and similar expenses		(214,717)	(5,235,228)
Social security contributions	15 3	(144,849)	(1,756,264)
Other operating expenses		(4,163,822)	(10,474,310)
External services	15 4	(4,193,822)	(10,448,223)
Taxes		-	(21,007)
Loss, impairment and changes in provisions for commercial operations	8		(5,080)
	5 and 6	(3,132)	(1,056,774)
Depreciation of fixed assets			
Other expenses		(899)	-
<b>INCOME FROM CONTINUING OPERATIONS</b>		<b>4,750,012</b>	<b>6,460,643</b>
Financial revenues	15.5	42,756	46,921
Loans with subsidiaries and associated companies		42,756	46,921
Financial expenses	15 6	(42,943)	(14,458)
Debt payable to subsidiaries and associated companies		(42,943)	(14,458)
Exchange differences	15 7	194,437	(72,100)
Impairment and income from disposal of financial instruments	7	30,000	(522,081)
Impairment and losses		30,000	(522,081)
<b>FINANCIAL INCOME</b>		<b>224,250</b>	<b>(561,718)</b>
<b>INCOME BEFORE TAXES</b>		<b>4,974,262</b>	<b>5,898,925</b>
Income tax	14 1	(1,186,622)	(2,180,983)
<b>INCOME FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>3,787,640</b>	<b>3,717,942</b>
<b>INCOME FOR THE FISCAL YEAR</b>	<b>3</b>	<b>3,787,640</b>	<b>3,717,942</b>

(\*) Re-expressed (Note 2-b)

**\*) ADVEO ADMINISTRACION Y SERVICIOS, S.L. (Sole Shareholder Company)**  
**Statement of changes in equity for the year ended on 31 December 2013**  
 (All amounts are expressed in euros)

**A) Statement of recognised revenues and expenses for the year ended on 31 December 2013**

	Notes	2013	2012
<b>INCOME FROM THE PROFIT AND LOSS STATEMENT</b>	<b>3</b>	<b>3,787,640</b>	<b>3,717,942</b>
<b>TOTAL REVENUES AND EXPENSES RECOGNISED DIRECTLY IN EQUITY</b>		<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS TO THE PROFIT AND LOSS STATEMENT</b>		<b>-</b>	<b>-</b>
<b>TOTAL RECOGNISED REVENUES AND EXPENSES</b>		<b>3,878,640</b>	<b>3,717,942</b>

**ADVEO ADMINISTRACION Y SERVICIOS, S.L. (Sole Shareholder Company)**  
**Statement of changes in equity for the year ended on 31 December 2013**  
 (All amounts are expressed in euros)

**B) Total statement of changes in equity for the year ended on 31 December 2013**

	Registered capital (Note 11.1)	Capital surplus (Note 11.2)	Reserves and unallocated income (Note 11.3)	Losses from previous years (Note 11.3)	Income for the year (Note 3)	TOTAL
<b>BALANCE, BEGINNING OF YEAR 2012</b>	2,265,566	20,363,009	(16,513)	-	(956)	22,611,106
<b>Total recognised revenues and expenses</b>	-	-	-	-	3,717,942	3,717,942
<b>Other changes in equity</b>	-	-	-	(956)	956	-
Application of income from previous year	-	-	-	-	-	-
<b>BALANCE, END OF YEAR 2012</b>	2,265,566	20,363,009	(16,513)	(956)	3,717,942	26,329,048
<b>Total recognised revenues and expenses</b>	-	-	-	-	3,787,640	3,787,640
<b>Transactions with equity holders</b>	(236,178)	(2,538,477)	-	-	-	(2,774,655)
Combined businesses (Notes 1 and 7)	(236,178)	(2,538,477)	-	-	-	(2,774,655)
<b>Other changes in equity</b>	-	-	3,716,986	956	(3,717,942)	-
Application of income from previous year	-	-	3,716,986	956	(3,717,942)	-
<b>BALANCE, END OF YEAR 2013</b>	2,029,388	17,824,532	3,700,473	-	3,787,640	27,342,033

**ADVEO ADMINISTRACION Y SERVICIOS, S.L. (Sole Shareholder Company)**  
**Cash flow statement for the fiscal year ended on 31 December 2013**  
(All amounts are expressed in thousands of euros)

	Notes	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Fiscal year's income before taxes		4,974,262	5,898,925
Adjustments to income		(26,681)	1,871,769
Depreciation of fixed assets	5 and 6	3,132	1,056,774
Dividends and financial revenues	15 7	(42,756)	(46,921)
Financial expenses	15 8	42,943	86,558
Provision activity	12	-	253,277
Impairment losses	7	(30,000)	522,081
Changes in working capital		1,873,752	(9,206,001)
Inventory		-	(928,244)
Accounts receivables and other receivables		(312,947)	(4,812,905)
Other current assets		(1,336)	(3,761,728)
Accounts payables and other payables		2,188,035	296,876
Other cash flows from operating activities		(2,197,941)	(884,720)
Payments of interest		-	(14,458)
Collection of interest		-	46,921
Collections (payments) for income taxes		(2,197,941)	(917,183)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>4,623,392</b>	<b>(2,320,027)</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Payments for investments		(17,165)	(1,125,965)
Intangible fixed assets	5	(17,165)	(1,082,412)
Tangible fixed assets		-	(35,591)
Other financial assets		-	(7,962)
Collections / (Payments) from disinvestments and business combinations		(4,699,708)	29,936
Intangible fixed assets	5	-	29,936
Financial fixed assets		169	-
Net cash incomings / (outgoings) for business combinations or disposal of businesses	1	(4,699,877)	-
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		<b>(4,716,873)</b>	<b>(1,096,029)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Cash receipts and payments for debt instruments			
Issue / (Repayment)			
Debt payable to subsidiaries and associated companies		(3,879,379)	5,320,736
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(3,879,379)</b>	<b>5,320,736</b>
<b>NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENTS</b>		<b>(3,972,860)</b>	<b>1,904,680</b>
Cash or cash equivalents at the beginning of the fiscal year	10	5,275,601	3,370,921
Cash or equivalents at the end of the fiscal year	10	1,302,741	5,275,601

**ADVEO ADMINISTRACION Y SERVICIOS, S.L. (Sole Shareholder Company)**  
**Notes to the financial statements for the fiscal year ended on 31 December 2013**

**1. COMPANY ACTIVITY**

ADVEO ADMINISTRACION Y SERVICIOS, S L U (hereinafter the Company) is a Limited Company with its registered office at Avenida de los Artesanos, 28, Tres Cantos (Madrid) The Company has its address for tax proposes at 11 Old Jewry, London, United Kingdom

The Company was incorporated in Madrid, with the initial name of Peak Gold, S L U on 22 November 2010, under the control of a Sole Shareholder in Spain, and sold to the English company Spicers Limited on 3 October 2012, then changing its name to SPICERS ADMINISTRACION Y SERVICIOS, S L U

On 2 December 2012, a capital increase was made by contribution of non-monetary assets in the amount of €326,674, by means of an capital surplus of €2,940,062 The exchange value of the new shares acquired by Spicers Limited as sole shareholder consisted in the non-monetary contribution of a line of business consisting of assets and liabilities located in Spain and dedicated to the purchase and sale, import and export of stationary and office supplies

On the same day, the same combination of assets and the commercial activity in Spain was split and furnished at a reasonable value to SPICERS ESPAÑA, S L (Sole Shareholder Company), previously acquired by the Company for an amount of €3,000, SPICERS ADMINISTRACION Y SERVICIOS, S L U taking 100% of its company shares for an amount of €3,266,736 (Note 7)

On 12 December 2012, a second capital increase was made by contribution of non-monetary assets in the amount of €1,935,882, by means of a capital surplus of €17,422,947 (Note 5 1) The exchange value of the new shares acquired by the Sole Shareholder consisted in the non-monetary contribution of a line of business located in Italy and operated as a branch (permanent establishment in Italy), called SPICERS ITALIA This line of business consists of assets and liabilities dedicated to the purchase and sale, import and export of stationary and office supplies

Subsequently, on 29 December 2012, the Company was sold by Spicers Limited to ADVEO GROUP INTERNATIONAL S A in the context of a sale transaction between ADVEO GROUP INTERNATIONAL, S A as buyer and DS Smith as seller by means of which ADVEO GROUP INTERNATIONAL, S A purchased 100% of the continental Europe business of Spicers

On 31 December 2012, the Company's name was changed to "Adveo Administración y Servicios, S L U"

During the 2013 financial year, the following events occurred, which substantially changed the activity, the volume of business and the net assets of the Company

**a) Contribution of equity instruments in Spicers Italia (subsidiary) split from Adveo Administración y Servicios S L and acquisition of holding in Adveo Italia, S R L**

On 28 February 2013, with effect in the accounts on 1 January 2013, the subsidiary in Italy was split, and remitted as a non-monetary contribution to the company Adimpo Italia, S R L for its net book value at 31 December 2012. Adveo Administración y Servicios, S L subscribed 100% of the increase in capital carried out by Adimpo Italia, S R L. At the same time, Adimpo Italia completed an undue merger on the shares of Spicers Italia, giving rise to the company Adveo Italia, S R L, in which Adveo Administración y Servicios holds 95% of the share capital, the other, minority shareholder, holding 5%, being Adveo Group International, S A. The merger plan was certified on 4 February 2013 and was duly registered in the Companies Register in Italy on 27 February 2013. As a consequence of the said contribution of branch of activity, the following effects arose in the equity and net assets of Adveo Administración y Servicios, S L (Sole Shareholder Company)

- Acquisition of holding in Adveo Italia, S R L, for 95% of its shares, valued at €21,228,385, applying the accounting rules currently in force
- Decrease in assets and liabilities contributed by the Italian subsidiary which had contributed the branch of activity split from Spicers Italia

The consequence of all of the above was the dissolution, without liquidation, of the subsidiary in Italy of Spicers Administración y Servicios, S L U, Sole Shareholder Company

The accounting effect associated with this non-monetary contribution in favour of Adimpo Italia, S R L and the acquisition of holdings (95%) in the new Adveo Italia, S R L was as follows

<b>NON-CURRENT ASSETS</b>	<b>14,071,597</b>
Intangible fixed assets	12,971,582
Intangible fixed assets	552,053
Deferred tax assets	547,962
<b>CURRENT ASSETS</b>	<b>29,660,632</b>
Inventory	5,794,252
Trade accounts receivable and other receivables	16,338,602
Short-term investments in subsidiaries and associated companies	2,707,144
Short-term accruals and deferrals	120,757
Cash and cash equivalents	4,699,877
<b>TOTAL ASSETS</b>	<b>43,732,229</b>

<b>NON-CURRENT LIABILITIES</b>	<b>2,234,001</b>
Long-term personnel benefits	115,739
Deferred tax liabilities	2,118,262

<b>CURRENT LIABILITIES</b>	<b>20,269,843</b>
Debt payable to subsidiaries and associated companies	2,749,361
Trade accounts payable and other payables	17,520,482
<b>TOTAL LIABILITIES</b>	<b>22,503,844</b>
<b>TOTAL NET ASSETS CONTRIBUTED</b>	<b>(21,228,385)</b>

**b) Contribution of equity instruments in Spicers España, S L (Sole Shareholder Company) split from Adveo Administración y Servicios, S L (Sole Shareholder Company)**

On 28 November 2013, Adveo Group International, S A , Sole Shareholder of Adveo Administración y Servicios S L (Sole Shareholder Company) approved the plan for the partial demerger of the economic distribution unit in Spain operated through the company Spicers España, S L (Sole Shareholder Company), ownership of which corresponded to Adveo Administración y Servicios, S L (Sole Shareholder Company) and subsequent merger by takeover of Spicers España, S L (Sole Shareholder Company) with Adveo España, S A (Sole Shareholder Company) as acquiring company. By virtue of that operation, Adveo Administración y Servicios parted with its holding in Spicers España, S L U , by means of a decrease in capital and premium for amounts of €236,178 and €2,538,477 respectively (total of €2,774,655 K, equivalent to the cost of the holding of 100% in the share capital of Spicers España, S L U )

The Group company ADVEO ESPAÑA, S A (Sole Shareholder Company), by way of universal succession, acquired all the elements making up the assets and liabilities of the acquired company, without any increase in capital occurring within ADVEO ESPAÑA, S A (Sole Shareholder Company). Said operation was acquired under the tax neutrality arrangement governed in Chapter VIII of Title VII of the LIS, the corporation tax act.

The aforementioned plan for demerger and subsequent merger was approved on 30 June 2013 by the Administrators of the companies involved.

As a consequence of all of the above, the dissolution occurred, without liquidation, SPICERS ESPAÑA, S L U , Sole Shareholder Company.

The aforementioned operation satisfies the requirements to be categorised as a merger under the terms provided for in Article 83.1 of the LIS, this also coming under the tax neutrality arrangement governed in Chapter VIII of Title VII of the cited legislation. The corresponding deed of demerger was submitted to the Companies Register of Madrid on 30 December 2013, being duly registered in that Register on 28 February 2014.

Both plans for demerger of the interest and subsequent merger with Adveo España, S A (Sole Shareholder Company) of the assets and liabilities relating to the branch of activity in Spain, and for the

The accounting treatment applicable to this type of operation between subsidiaries for non-monetary contributions of a business to a subsidiary consists of valuing the assets handed over for their book value in the consolidated annual financial statements of the Group in Spain. The date for accounting purposes of the operations described above is 1 January 2013.

The Company also owns 50% of the share capital of the English company NEW INCCO 1136, Ltd. Said company was incorporated by the Company along with the other Shareholder holding 50% in this company, Spicers Ltd, in December 2012 with share capital of £100, the investment by the Company therefore being €70 (Note 7). The company activity is IT support of the Spicers Group in Continental Europe and the United Kingdom.

Currently, the Company's activity consists of a 95% holding in the shares of Adveo Italia, S R L, and management of purchases and relations with suppliers for all of Spicers' business in Continental Europe.

The Company is part of the group of companies headed up by ADVEO GROUP INTERNATIONAL, S A (Grupo ADVEO), with its registered office at Tres Cantos (Madrid). In accordance with the provisions of Article 43 of the Commercial Code, the Company is exempt from the obligation to prepare consolidated annual financial statements, since it satisfies the requirements provided for in the aforementioned article.



## **2 BASIS FOR THE PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS**

The annual financial statements were drawn up in accordance with the General Accounting Plan approved by the Royal Decree 1514/2007 of November 16, which was amended by the Royal Decree 1159/2010 of September 17, and with other corporate legislation in force

The annual financial statements have been formulated by the Company's Sole Administrator to be submitted to the Sole Shareholder for approval, they are expected to be approved without changes

The figures included in the annual financial statements are expressed in euros, unless otherwise indicated

### **a) True and fair view**

The annual financial statements were prepared based on the Company's subsidiary account books and in compliance with the prevailing accounting regulations in order to present a faithful depiction of the Company's net worth. The cash flow statement was prepared in order to provide an accurate picture of the source and application of the monetary flows representing the Company's cash and cash equivalents

### **b) Comparative information**

In compliance with legislation on companies, for the purposes of comparison with each of the entries on the balance sheet, profit and loss statement, statement of changes to equity and statement of cash flows, in addition to the figures for the 2013 fiscal year, the figures corresponding to the previous financial year are presented. The notes to the financial statements also include quantitative information for the previous year, unless specifically deemed unnecessary by an accounting standard

As indicated in Note 1, in the 2013 fiscal year, Spicers' branch of business in Italy was transferred to Adimpo Italia, by way of a non-monetary contribution, the corresponding assets and liabilities remaining in the newly-created company Adveo Italia S R L, in which Adveo Administración y Servicios holds 95%. Given that the said contribution is backdated in the accounts to 1 January 2013, the profit and loss statement for the 2013 fiscal year does not include the operations of the business in Italy, the only transactions being those corresponding to the business of the centralised management of European volume discounts for the Spicers business of the Adveo Group and holding company shares in Adveo Italia, S R L indicated in Note 1 above. On comparing the figures corresponding to the 2013 fiscal year included in these annual financial statements with those corresponding to the 2012 fiscal year, this situation must be taken into account

After approval of the financial statements for the 2012 fiscal year, the Company noted that within the net amount of turnover for that fiscal year of €62,691,866, an amount of €54,765,883 corresponded to sales made by the Italian subsidiary, whilst the amount of service-provision, mainly corresponding to re-billing of management costs incurred by the Company for other companies in the Adveo Group, totalled €7,925,983. Therefore, the comparative information corresponding to the annual financial statements for the 2013 fiscal year has been re-expressed, without any impact on the total amount of net turnover or income or Equity of the Company

c) Critical aspects in relation to the measurement and estimation of uncertainty

In preparing the Company's annual financial statements, the Sole Administrator made some estimates in order to assess the value of certain assets, liabilities, revenues and expenses, and to break down the contingent liabilities. These estimates are based on the best information available at the end of the year. However, given their inherent uncertainty, there is a risk that prospective adjustments to their value may arise in future years.

The key assumptions about the future and other relevant data about estimating the uncertainty at the end of the year which carry a risk of significant changes in the value of assets and liabilities in the next year are as follows:

Impairment of non-current assets

Non-current assets other than financial assets are valued on the basis of estimates in order to determine their fair value for the purpose of assessing possible impairment. To determine fair value, the Sole Administrator estimates the future cash flows expected from the assets or the cash-generative units they belong to, using an appropriate discount rate to calculate the current value of those cash flows. Note 5.2 includes an analysis of the scenarios used at the end of the 2012 fiscal year as evidence of impairment concerning the Cash-Generative Unit representing the distribution business transferred to Adveo Italia, S R L.

With regard to the investments in subsidiaries and associate companies, when cash flow discount is not considered appropriate, the recoverable value of those investments is determined by the investee companies' equity adjusted to any unrealised capital gains existing at the measurement date. Note 7 includes an analysis of the scenarios applied in the analysis of impairment of the financial investment in Adveo Italia, S R L at the end of the 2013 fiscal year, once the branch of activity which the Italian subsidiary was managing has been transferred to the company Adveo Italia, S R L in which Adveo Administración y Servicios, S L U holds an interest of 95%.

As at 31 December 2013 and 2012, no impairment in non-current assets was identified.

Taxation

Under current tax legislation applicable to the Company (Note 14), tax settlements cannot be considered final until tax returns submitted have been audited by the tax authorities or the statute of limitations period has elapsed. According to the Company's Administrators and tax advisers, there are no contingencies which could result in the addition of significant liabilities to the ones registered in the balance sheet enclosed.

### 3. DISTRIBUTION OF INCOME

The proposed distribution of income for the 2013 fiscal year, formulated by the Sole Administrator and which is expected to be approved by the Sole Shareholder, is the following

	2013
<b>Basis for distribution</b>	
Profit and loss statement balance (profits)	3,787,473
<b>Total</b>	<b>3,787,473</b>
<b>Distribution</b>	
To statutory reserve	405,327
To voluntary reserves	3,382,146
<b>Total</b>	<b>3,787,473</b>

#### 3.1 Restrictions on distribution of dividends

The Company is required to use 10% of the profits for the fiscal year to set up the statutory reserve, until this reached at least 20% of the share capital. Whilst this does not exceed 20% of the share capital, this reserve may not be distributed to the Sole Shareholder (Note 11.3)

Once the requirements provided for in Law or the articles of association have been satisfied, dividends may be distributed from the profits for the fiscal year, or reserves for free disposal, if the value of the equity is not, or as a consequence of the distribution, does not prove less than the share capital. To this end, profits charged directly to the equity may not form the subject of distribution, either direct or indirect. Any losses from previous fiscal years which mean that this Company equity value is less than the share capital figure, the profit shall be used to offset those losses.

Up to the end of the 2012 fiscal year, the Company had to have a reserve not for disposal equivalent to the goodwill featuring in the assets of the balance sheet in relation to Adveo's distribution business in Italy, an amount of the profit representing at least five per cent of the said goodwill amount being used for this purpose. If there is no profit, or if any profit proves insufficient, reserves for free disposal shall be used. As at 31 December 2012, the Company had in its assets goodwill for an amount of €5,711,840.

After the contribution of the branch of activity to Adveo Italia, S R L, said goodwill is implicitly represented in the cost of the holding concerning this company. However, on removal from the balance sheet along with the remainder of the net assets contributed to Adveo Italia, S R L (Note 1) the Company is exempt from keeping the said reserve on its balance sheet.

#### 4. RECOGNITION AND MEASUREMENT STANDARDS

The main recognition and measurement standards used by the Company in the making of this annual financial statements are the following

##### 4.1 Intangible assets

The initial value of intangible assets is determined by their cost, whether it be its acquisition price or production cost. The cost of intangible fixed assets acquired through business combinations is their fair value on the date of acquisition.

After initial recognition, intangible assets are valued at their cost less any accumulated amortization and any registered accumulated impairment losses, if applicable.

The useful life of each intangible asset is assessed as either definite or indefinite.

Intangible assets which have a definite useful life are systematically amortised on a straight-line basis, according to their estimated useful life and their residual value. The Company reviews the amortisation methods and periods at each fiscal year end and makes any necessary prospective adjustments. At least at each fiscal year end, the assets are reviewed for indicators of impairment. If any such indicator exists, the asset's recoverable amount is estimated and the needed value adjustments are made.

Intangible assets with an indefinite useful life are not amortized and, at least annually, are subject to an analysis of their possible impairment. The presumption that the useful life of these assets is indefinite is reviewed annually.

##### *Goodwill*

Goodwill is initially valued, at the time of acquisition, at its cost, this being the surplus of the cost of the business combination with regard to the fair value of the identifiable assets acquired, minus the liabilities incurred.

Goodwill is not amortised. Instead, the cash-generating unit to which the goodwill was allocated to in the date of acquisition is reviewed, at least annually, to test its possible value impairment. If impaired, the corresponding value adjustment is registered.

Value adjustments due to goodwill impairment cannot be reversed in subsequent years.

##### *Client portfolio*

The fair value of the client portfolios acquired as a result of the business combination referred to in Note 5.1 of the report is valued using the Multi-period Excess Earnings method, which is based on calculation of discount of cash flows from future economic profits attributable to the client base, after elimination of the tax expenses entailed by their generation. In order to estimate the remaining useful life of the client base, the average duration of relations with the said clients is analysed. This duration was estimated at between 8 and 15 years.

The client portfolio was transferred in the 2013 fiscal year because of the contribution of the branch of activity to Adveo Italia, S.R.L. (Note 1).

##### *Trademarks*

The fair value of the trademarks acquired as a result of the combination of businesses referred to in Note 5.1 of the report is value using the Relief-from-royalty method. According to this method, the value of the assets is determined by capitalising the royalties which are saved due to holding intellectual property. The royalties saving is determined by applying a market royalty rate (expressed as a percentage of income) to the future income anticipated with the sale of the product associated to the intangible asset. For trademarks acquired in the combination of businesses referred to in Note 5.1 of the report, this percentage varies between 0.5 and 1%.

An indefinite useful life has been envisaged, therefore, these assets are not amortised. Instead, the cash-generating unit to which the goodwill was allocated to in the date of acquisition is reviewed, at least annually, to test its possible value impairment. If impaired, the corresponding value adjustment is registered.

The trademarks were transferred in the 2013 fiscal year because of the contribution of the branch of activity to Adveo Italia, S.R.L. (Note 1).

#### *Computer applications*

This section includes the costs incurred in connection with the computer applications developed by the Company itself which satisfy the conditions set out above for activation of development costs, along with the costs of those acquired from third parties. These are amortised using the straight-line method throughout their estimated useful life of 10 years.

The expenses of own personnel who have worked on development of computer application are included as the greater cost of the same, with payment under "Work carried out by the company for its assets" on the profit and loss statement.

Maintenance expenses and repairs that do not entail an increase of the asset's useful life are included in the income statement in the year in which they are incurred.

#### **4.2 Tangible fixed assets**

The initial tangible fixed assets is determined by their acquisition or production cost. The cost of tangible fixed assets acquired through business combinations is their fair value on the date of acquisition.

After initial recognition, tangible fixed assets are valued at their cost less any accumulated depreciation and any registered accumulated impairment losses, if applicable.

Maintenance expenses and repairs that do not entail an increase of the asset's useful life are included in the income statement in the year in which they are incurred. Renovation, expansion or improvements expenses that increase the productive capacity or extend the useful life of the goods are capitalised. In this case, the carrying amounts of the substituted items are dismissed.

The depreciation of tangible fixed assets is done on a straight-line basis, from the moment they are available to start working throughout their estimated useful life.

The estimated years of useful life for the various intangible fixed assets are as follows:

	Years of useful life
Buildings	33
Technical installations and other tangible fixed assets	10

At each fiscal year end, the Company reviews the residual values, useful lives and depreciation methods of the tangible fixed assets and makes any necessary prospective adjustments

At least at the end of the year, the Company assesses if there are any signs of impairment to tangible fixed assets. If such signs are found, an estimation of the recoverable amount is made. The recoverable amount is the higher of an asset's fair value less the cost of sale and its value in use. When the carrying amount is higher than the recoverable amount there is impairment loss. The value in use is the present value of the future cash flows expected to be derived from an asset, using a risk-free market interest rates, adjusted for the specific risks associated with the asset.

Impairment loss and its reversal are recognised in the income statement. Impairment loss is reversed when the circumstances giving rise to it cease to exist, except where it relates to goodwill. The reversal of an impairment is limited to the carrying amount the asset would have had no impairment loss been previously recognised.

In the 2013 financial year, the Company's fixed assets were transferred because of contribution of the branch of activity to Adveo Italia, S R L (Note 1)

#### 4.3 Leases

A contract can be classified as a capital lease when it is deduced from its conditions that all risks and benefits inherent to the ownership of the asset in question are substantially transferred to the lessee. Otherwise, the contract is classified as an operating lease.

##### The Company as lessee

Operating lease payments are registered as expenses in the income statement when they occur.

#### 4.4 Financial assets

##### Recognition and measurement

##### *Loans and receivables*

Registered under this category are the loans for trade and non-trade operations, including the financial assets that have fixed or determinable payments, are not traded in an active market, and for which all the payment made by the Company is expected to be recovered except, where applicable, for reasons chargeable to debtor solvency.

Upon initial recognition in the balance sheet, they are recognized at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid plus any directly attributable transaction costs.

After the initial recognition, these financial assets are valued at amortized cost.

Nevertheless, trade receivables which mature within a year and with no contractual interest rate, employee loans and advances, dividends receivable and capital calls on equity instruments expected to be received in the short term are carried at face value, since the effect of not discounting the cash flows is not material

*Investment in the equity of companies in the group, joint ventures and associates*

This includes equity investments in entities in which the Company exercises control (subsidiaries), joint control through statutory or contractual arrangements with one or more partners (jointly controlled entities), or over which the Company has significant influence (associates)

Upon initial recognition on the balance sheet, they are recognized at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid plus any directly attributable transaction costs

Investments in subsidiaries are made, when applicable, taking into account the standards included in the regulations pertaining to intra-group operations (Note 4.14), as well as the standards for determining the cost of the established combination stated in the regulations pertaining to business combinations (Nota 4.13)

When an investment is classified as an investment in a subsidiary, joint venture or associate, the cost of the investment is deemed to be the asset's recognized carrying amount immediately before obtaining that classification. Where appropriate, the previously recognized value adjustments associated with the investment in question are carried in equity until the investment is either sold or impaired

The preemptive subscription right and similar acquired amounts are included in the initial value

Following initial recognition, these financial assets are stated at cost, less any accumulated impairment loss, when applicable

In case of the sale of preemptive subscription rights or similar, or their segregation in order to exercise them, the carrying value of the respective assets will be reduced by the cost of the rights

Cancellation

Financial assets are derecognized from the balance sheet when the contractual rights to the related cash flows have expired or when the assets are transferred, provided that substantially all the risks and benefits inherent to ownership are transferred

If the Company has neither transferred nor retained substantially all the risks and benefits of the financial asset, the financial asset is derecognized when it does not confer control. If the Company retains control of the asset, it continues to recognize it at the amount of its exposure to changes in the fair value of the transferred asset, i.e. to the extent of its continuing involvement, and recognizes the related liability

The difference between the net consideration received from attributable transactions costs, taking into account any new asset acquired less any liability assumed, and the carrying amount of the transferred financial asset plus any accumulated amounts directly recognized in equity, determines the related gain or loss and is recognized in the income for the year

Interests and dividends received on financial assets

Interest and dividends from financial assets accrued after acquisition are recognized as income on the profit and loss statement. Interest is recognized using the effective interest rate method and dividends are recognized when the right to receive payment is established.

For these purposes, upon initial valuation of the financial assets, the explicit unmatured interest accrued at the time and the dividends stipulated by the competent body up to the time of acquisition are recognized independently based on their maturity. Explicit interest refers to the contractual interest rate applied to the financial instrument.

Likewise, when the dividends paid come unequivocally from earnings obtained prior to the acquisition date because they exceed profits generated by the investee since the acquisition, they are not recognized as income but, rather, are deducted from the carrying amount of the investment.

#### 4.5 Impairment of financial assets

The Company adjusts the carrying amount of financial assets against the profit and loss statement when there is objective evidence of impairment loss.

To determine impairment loss, the company assesses the potential loss of both individual assets and groups of assets with similar risk characteristics.

##### Debt instruments

There is objective evidence of impairment of debt instruments (i.e. accounts receivable, debt claims and debt securities) when, after initial recognition, an event occurs with a negative impact on its estimated future cash flows.

The Company recognizes as impaired (doubtful) assets those debt instruments for which there is objective evidence of impairment, namely the existence of bad debts, default, refinancing and the existence of data that evidence that the agreed future flows may not be collected in full or that there may be a delay in collection.

In the case of the financial assets valued at their amortized cost, the impairment loss equals the difference between its carrying amount and the current value of the estimated future cash flows, less the effective interest rate on initial recognition. For variable-rate financial assets, the effective interest rate prevailing at the date of closure of the annual accounts is used. For trade account receivables and other receivables, the Company recognizes as doubtful assets those outstanding balances matured over six months which offer no security regarding their collection and the outstanding balances of companies undergoing insolvency proceedings.

The reversal of impairment is recognized in the income statement and is limited to the carrying amount that would have been recognized at the reversal date had no impairment loss been recognized for the asset.



### Equity instruments

There is objective evidence of impairment of equity instruments when, after initial recognition, an event or combination of events occurs with the result that the carrying value will not be recovered due to a prolonged or significant decline in their fair value

In the case of equity instruments valued at cost, such as the investments in subsidiaries, joint ventures and associates, the impairment loss is calculated as the difference between the carrying value and the recoverable amount, which is the higher of the fair value less the cost of sale and the present value of the future cash flows arising from the investment. Except where there is better evidence, the impairment is estimated taking account of the investee company's equity adjusted for any unrealized capital gain existing as of the measurement date

The reversal of impairment loss is recognized in the income statement and is limited to the carrying amount that would have been recognized at the reversal date had no impairment loss been recognized for the asset, in the case of investments in subsidiaries, joint ventures and associates

### 4.6 Financial liabilities

#### Classification and measurement

##### Accounts payable

This includes financial liabilities generated by the purchase of goods and services arising from the Company's trade transactions and charges from non-trade transactions that are not derivative instruments

Upon initial recognition in the balance sheet, they are recognized at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received plus any directly attributable transaction costs

After initial recognition, these financial liabilities are recognized at amortized cost. Accrued interest is recognized in the income statement using the effective interest rate method

Nevertheless, trade receivables which mature within a year and with no contractual interest rate, as well as amounts due to third parties for capital calls expected to be paid in the short term are carried at face value, since the effect of not discounting the cash flows is not material

#### Cancellation

Financial liabilities are retired when the related obligation is extinguished

When the Company and a lender exchange a debt instrument for another on substantially different terms, the original financial liability is derecognized and the new financial liability is recognized. Substantial modifications in the terms of an existing financial liability are treated in the same way

The difference between the carrying amount of the financial liability or the part of the financial liability that is retired and the consideration given, including the attributable transaction costs and any asset transferred other than cash or assumed liability, is recognized in the income statement in the year in which it occurs

When a debt instrument is exchanged for another and the terms are not substantially different, the original liability is not derecognized and any fees paid are recognized as an adjustment to its carrying value. The new amortized cost of the financial liability is determined using the effective interest rate, i.e. the rate that matches the carrying amount of the financial liability at the date of modification with the cash flows payable under the new terms.

For these purposes, the terms of the contracts are considered substantially different when the lender is the same one who provided the initial loan and the present value of the cash flows of the new financial liability, including net fees, differs at least by 10% from the present value of the cash flows payable of the original financial liability, being both adjusted to the interest rate of the original liability.

#### **4.7 Cash and cash equivalents**

This heading includes cash on hand, current accounts, short-term deposits and the temporary acquisition of assets which meet all the following criteria:

- They are convertible to cash
- They mature within less than three months from the acquisition date
- They are not subject to a significant risk of change in value
- They are part of the Company's standard cash management strategy

#### **4.8 Provisions and contingencies**

Liabilities of an undetermined amount or cancellation date are recognized in the balance sheet when the Company has a present obligation (derived from law, a contract, or an implicit or tacit commitment) as a result of past events and it is considered likely that a quantifiable outflow of resources will be required to settle the obligation.

Provisions are measured at the present value of the best possible estimate of the amount required to settle the obligation or transfer it to a third party, and adjustments arising due to updating the provision are recognised as a financial expense as they accrue. Provisions maturing within a year or less that do not have a material financial effect are not discounted.

Provisions are reviewed at each balance sheet closing date and adjusted to reflect the best present estimate of the related liability at the time.

The fees receivable from a third party at the time of settlement of the provisions are recognised as an asset and they are not deducted from the provision amount, as long as there are no doubts concerning their collection and as long as they do not exceed the amount of the recognised liability. When there is legal or contractual binding agreement to externalise the risk, in which case the Company is not obliged to answer for it, the amount of the fee concerned is deducted from the provision amount.

#### 4 9 Income tax

Income tax expense for the year is calculated as the sum of the current tax resulting from applying the corresponding tax rate to taxable income for the year, less any applicable rebates and tax credits, and the changes during the year in recognised deferred tax assets and liabilities. The corresponding tax expense is recognised in the income statement, except when it relates to transactions recognised directly in equity, in which case the corresponding tax expense is also recognised in equity, and in the initial accounts of business combinations, it is recognised as another equity item of the acquired business.

Deferred income tax is recognised on all existing timing differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts. The tax basis of an asset or liability is the amount attributed to it for tax purposes.

The tax effect of timing differences is included, as appropriate, in "Deferred tax assets" or "Deferred tax liabilities" in the balance sheet.

The Company recognises deferred tax liabilities for all taxable timing differences, except where disallowed by prevailing legislation.

The Company recognises deferred tax assets for all deductible timing differences, unused tax credits and unused tax loss carryforwards to the extent that it is probable that future taxable profit will be available against which these assets may be utilised, except where disallowed by prevailing legislation.

In business combinations in which no deferred tax assets were recognised separately in the initial accounts because they did not meet the criteria, the deferred tax assets recognised within the measurement period and coming from information about facts and circumstances existing at acquisition will entail an adjustment in the related goodwill. After the above-mentioned valuation period, or if they arose from facts and circumstances which did not exist at acquisition, they will be recognised against income or, if required by regulations, directly in equity.

At each fiscal year end, the Company assesses the deferred tax assets recognised and those that have not yet been recognised. On the basis of that assessment, the Company retires previously recognised assets if they are no longer likely to be recovered, or recognises any deferred tax assets not recognised previously where it is likely that future taxable profit will be available against which these assets may be utilised.

Deferred income tax assets and liabilities are recognised at the tax rates that are expected to apply at the time of the reversal based on prevailing laws and on the basis of reasonable expectations of recovering the deferred tax asset or settling the deferred tax liability.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and liabilities, regardless of the expected date of realisation or settlement.

#### 4 10 Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the balance sheet as current or non-current. For these purposes, assets and liabilities are classified as current when they are associated with the Company's normal operating cycle and it is expected that they will be sold, consumed, realized or settled within that cycle, if they differ from the aforementioned assets, and are expected to mature, to be sold or

settled within one year, if they are held for trading or are cash and cash equivalents whose use is not restricted for more than one year. Otherwise, they are classified as non-current assets and liabilities.

#### 4.11 Revenues and expenses

Revenues and expenses are recognised in accordance with the accrual principle when they arise, regardless of when actual payment or collection occurs.

##### Revenues from sales and the rendering of services

Revenues are recognised when it is likely that the Company will receive the benefits and the financial returns arising from the transaction and the amount of the revenues and of the costs incurred or to be incurred can be reliably evaluated. Revenues are valued at the fair market value of the consideration received or to be received, less any discounts, price reductions and other similar items that the Company may grant, as well as any interest, if applicable, incorporated into the loan principal. Indirect taxes on operations and which are applicable to third parties are not counted as part of revenues.

In addition, the following conditions must be met:

- The risks and benefits inherent in the ownership of the goods must have been transferred to the buyer.
- The Company must not maintain management or effective control of the same.

Monetary amounts received from suppliers for advertising campaigns are recognised as revenues when the related actions are actually carried out.

#### 4.12 Foreign currency transactions

The Company's functional and presentation currency is the Euro.

Transactions in foreign currency are initially converted at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences, both positive and negative, originating in this process, and those arising from the settlement of those equity items, are recognised in the income statement in the year in which they arise.

Non-monetary items recognised at historical cost are translated at the exchange rate prevailing on the date of the transaction.

#### 4.13 Business combinations

Business combinations in which the Company acquires control over one or several business units through the merger or splitting of several companies, or through the acquisition of all the equity items belonging to a company or a part of a company constituting one or more business units, are registered according to the method of acquisition, which entails recognising acquired assets and assumed liabilities as of the acquisition date and at their fair value, as long as the price can be reliably measured

The difference between the business combination cost and the value of the acquired identifiable assets, less the cost of the assumed liabilities, is registered as goodwill if positive, or as revenue in the income statement, if negative

When the valuation process of business combinations has not concluded by the end of the fiscal year and, therefore, the acquisition method cannot be applied, these are registered using provisional values. These values must be adjusted within a year from the acquisition date. The adjustments recognised to complete initial recognition are done retroactively, in such a way that the resulting values are those which would have derived from having the information at acquisition. Thus, comparative information is adjusted

#### 4 14 Related-party transactions

Related-party transactions are measured according to the valuation standards described above, except in the following transactions

- Non-monetary contributions to subsidiaries are generally measured by the carrying amount of the transferred equity items in the consolidated financial statements at the date of the operation, except when these transactions are carried out within the framework of a third-party transaction, in which case they are recorded at fair market value
- In business mergers and splits, the acquired items are generally measured by the amount corresponding to them in the consolidated financial statements, once the operation has been completed. Any differences that arise are recorded in reserves, except when these transactions are carried out within the framework of a third-party transaction, in which case they are recorded at fair market value

The prices of related-party transactions are adequately documented, accordingly, the Company's administrator does not consider it likely that significant tax liabilities will arise

#### 4 15 Integration of branches

In accordance with current accounting standards in Spain, the assets, liabilities, and expenses of the Spicers Italia branch (Note 1) as on 31 December, 2012, were integrated into the balance sheet and income statement of the Company

#### 4 16 Compensation for dismissal

In compliance with the prevailing labor legislation, the Company is obliged to compensate those employees who are terminated under certain conditions. Severance payments which may be objectively quantified are recorded as an expense for the year in which the Company has created a valid plan based on valid expectations to compensate the third parties affected

#### 4 17 Applicable regulations in future accounting periods

As on the date of formulation of these annual statements, *the Resolution of 18 September, 2013, of the Accounts and Account Auditing Institute had been published, setting out recording and valuation standards and information to be included in annual financial reports concerning asset impairment*. This standard introduces certain modifications regarding the estimation of impairment, and applies to all accounting periods beginning 1 January, 2014 and later

The Company has not completed its analysis of the potential impacts that the application of this standards could have on the annual statements for the 2014 fiscal year. However, on the basis of the analysis carried out to this point, it estimates that the potential impacts, if any, will be of little significance

## 5. INTANGIBLE ASSETS

Details and variations of the different intangible assets are as follows

Fiscal Year 2013 (Euros)	Initial balance	Additions	Contribution to Adveo Italia, S R L. (Note 1)	Balance final
<b>Cost</b>				
Goodwill	5,711,840	-	(5,711,840)	-
Client portfolio	7,600,000	-	(7,600,000)	-
Brands	200,000	-	(200,000)	-
Computer applications	734,841	-	(734,841)	-
Intangible assets under development	913,853	7,039	-	920,892
Industrial Property	-	10,126	-	10,126
Tangible fixed assets	64,310	-	(64,310)	-
<b>Total cost</b>	<b>15,224,844</b>	<b>17,165</b>	<b>(14,310,991)</b>	<b>931,018</b>
<b>Accumulated depreciation</b>				
Client portfolio	(739,127)	-	739,127	-
Computer applications	(598,548)	-	598,548	-
Industrial Property	-	(3,132)	-	(3,132)
Patents, licenses, brands and similar	(1,734)	-	1,734	-
<b>Total accumulated amortization</b>	<b>(1,33,409)</b>	<b>(3,132)</b>	<b>1,339,409</b>	<b>(3,132)</b>
<b>Net carrying value</b>	<b>13,885,435</b>		<b>(12,971,582)</b>	<b>927,886</b>

The reductions correspond to the contribution to Adveo Italia, S R L. of the net assets and liabilities that constituted the area of activity of the Company's branch in Italy (Note 1)

Ejercicio 2012 (Euros)	Initial balance	Additions	Balance Final Re-expressed
Cost			
Goodwill	5,711,840	-	5,711,840
Client portfolio	7,600,000	-	7,600,000
Brands	200,000	-	200,000
Computer applications	600,755	134,086	734,841
Other intangible assets	-	913,853	913,853
	<u>29,936</u>	<u>34,374</u>	<u>64,310</u>
Total cost	14,142,531	1,082,313	15,224,844
Accumulated depreciation			
Computer applications	-	(739,127)	(739,127)
	(543,026)	(55,522)	(598,548)
Total accumulated amortisation	<u>-</u>	<u>(1,734)</u>	<u>(1,734)</u>
Net carrying value	(543,026)	(796 383)	(1,33,409)
	<u>13,599,505</u>		<u>13,885,435</u>

The additions of computer applications in the 2012 fiscal period correspond to new licences acquired for the Company's computer systems in Spain and Italy

The additions of intangible fixed assets under development in the 2012 fiscal period corresponds basically to the Company's own personnel expenses in Spain and Italy in connection with new computer applications developed by the Adveo group and which belong to the Company, in the amount of 710,493 euros, and expenses for the purchase of licences for these new applications, in the amount of 203,360 euros

## 5.2 Impairment test for the business in Italy

On 31 December, 2012, impairment tests were performed on the entire assets of the Italian Cash Generating Unit, to which the Italian branch belonged, along with another affiliate of the Adveo Group in that country, Adimpo Italia, and to which the Goodwill, the client portfolio, and the brands specified in Note 5.1, above, had been assigned

The calculation of the recoverable value of the Cash Generating Unit was based on the 5-Year Strategic Plan of the Adveo Group, of which the Company is a member, approved by the Board of directors of Adveo Group International, S.A., covering a period of 5 years. Beginning in the fifth year, projections were used that applied a perpetual growth rate of 1.5%

As a result of the impairment tests performed, as on 31 December 2012 no impairment loss was recorded with respect to the total net assets of the Italian Cash Generating Unit



### *Main assumptions used in the recoverable value calculations*

#### *Estimated EBITDA*

- Growth of client bases, taking advantage of the integration of the business client databases of Adimpo and Spicers in Italy. Given that on 1 March, 2013, the distribution business of Adimpo and Spicers in Italy were merged, as set out in the Note on Events after the Reporting Period in the present report, the combined cash flows of both businesses were considered
- Better operating margins due to cost savings from synergies as a result of greater integration of the Group's businesses in Italy

#### *Estimated investments*

The Distribution businesses do not require a significant investment structure. A relevant investment effort has been contemplated in computer applications within the group integration process.

#### *Long-term growth rate*

The value calculations in use are based on five-year estimates. The perpetual growth rate was 1.0% for the 2012 fiscal year.

#### *Discount rate*

The after-tax discount rate applied was 10.37% for the 2012 fiscal period.

The discount rate applied to the free cash flows was based on the risk-free 15-year bond rate in Italy, adjusted by a country risk premium. When this adjustment is made, the variables are the market risk premium and the risk adjustment, the beta, which is applied to reflect the risk of a given company with respect to the entire securities market.

As with any future forecast, the company's estimates are subject to risks and uncertainties, such as changes in competition and market development.

Based on the impairment tests performed, as on 31 December 2012, the calculated recoverable value for the Cash Generating Unit in Italy were greater than the total net assets attributable to that Unit.

The key variables used in the impairment test are the long-term growth rate and the cash flow discount rates. An increase of 0.5% in these variables would not, by itself, imply an impairment to the total above-mentioned net assets.

Assumptions for the impairment test on the financial investment in Adveo Italia, S.R.L. as on 31 December 2013, are detailed in Note 7.

### 5.3 Miscellaneous information on intangible assets

#### a) Goods not assigned to operations

All elements comprising intangible assets in 2013 have been assigned directly to operations.

b) Goods subject to guarantees and reversal

No elements of intangible assets have been assigned to guarantees or to reversal as on 31 December, 2013

c) Purchase commitments

At the close of the 2013 and 2012 fiscal periods there are no firm commitments for the purchase of elements of fixed assets

d) Other important information

It is the Company policy to hire the necessary insurance policies to provide coverage against the potential risks that could affect intangible assets

The Company and its Italian affiliate, as on 31 December, 2012, are not involved in any litigation that could affect the intangible assets described in this Note

The Company and its Italian affiliate, as on 31 December, 2012, do not have any intangible asset items in use that have been fully depreciated as of the close of the 2013 fiscal year

As on 31 December, 2013, the Company and its Italian affiliate have no intangible asset items that were acquired from companies in the group

All intangible asset items are located in Spain as on 31 December, 2013.

## 6. TANGIBLE FIXED ASSETS

Details and variations of the tangible asset entry are as follows

Fiscal year 2013 (euros)	Initial balance	Additions and provisions	Contribution to Adveo Italia, S R L. (Note 1)	Ending balance
Cost				
Buildings	11,900	-	(11,900)	-
Other installations, tools and furniture	2,824,797	-	(2,824,797)	-
Total cost	2,836,697		(2,836,697)	-
Accumulated depreciation				
Buildings	(10,172)	-	10,172	-
Other installations, tools and furniture	(2,274,472)	-	2,274,472	-
Total depreciation	(2,284,644)	-	2,284,644	-
Net carrying value	552,053		(552,053)	-

Fiscal year 2012 (Euros)	Initial balance	Additions and provisions	Ending balance
Cost			
Buildings	11,900	-	11,900
Other installations, tools and furniture	2,789,206	35,591	2,824,797
Total cost	2,801,106	35,591	2,836,697
Accumulated depreciation			
Buildings	(8,983)	(1,189)	(10,172)
Other installations, tools and furniture	(2,015,270)	(259,202)	(2,274,472)
Total depreciation	(2,024,253)	(260,391)	(2,284,644)
Net carrying value	776,853		552,053

### 6.1 Description of main changes

The reductions correspond to the contribution to Adveo Italia, S R L. of the net assets and liabilities that constituted the area of activity of the Company's branch in Italy (Note 1)

The additions for fiscal year 2012 corresponded mainly to the renovation of warehouse machinery in Italy

## 6.2 Miscellaneous information on property, plant and equipment

### a) Goods not assigned to operations

All of the tangible fixed asset elements of the Company in 2013 and of its Italian affiliate in 2013 were assigned directly to operations

### b) Goods subject to guarantees and reversal

As on 31 December, 2013 and 2012, there are no tangible asset items subject to guarantees or to reversal

### c) Purchase commitments

At the end of fiscal years 2013 and 2012 there are no significant firm purchase commitments for tangible asset elements

### d) Operating leases

The company manages its central offices under a leasing arrangement. In 2012, the Italian affiliate also managed its central offices and warehouses under a leasing arrangement

The future minimum payments under the lease contract, not subject to cancellation as on 31 December, 2013 and 2012, are as follows

Euros	2013	2012
Up to one year	58,800	874,434
Between one and five years	-	2,245,208
More than five years	-	-
Total	<u>58,800</u>	<u>3,119,642</u>

### e) Other important information

The policy of the Company (and of its Italian affiliate in 2012) is to hire those insurance policies that it considers necessary to cover possible risks that could affect its tangible assets

The Company (and its Italian affiliate in 2012) are not involved in any litigation that could affect the goods described in this Note

The Company (and its Italian branch in 2012) have no tangible asset items in use that had been fully depreciated at the close of fiscal years 2013 and 2012

As on 31 December, 2013 and 2012, the Company (and its Italian affiliate in 2012) have no tangible asset elements that were acquired from other companies in the group

At the close of fiscal year 2012, all tangible asset elements were located in Italy

## 7. LONG-TERM INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES

The details of, and changes to, the various entries that comprise this category during 2013 and 2012 are the following

Fiscal year 2013 (Euros)	Initial balance	Additions / provisions / reversals	Reductions (Note 7 1)	Ending balance
Long-term equity instruments	3,266,806	21,228,385	(3,266,736)	21,228 455
Impairment	(522,081)	30,000	492,081	-
Total net carrying value	2,744,725	21,258,385	(2,774 655)	21,228 455
Fiscal year 2012 (Euros)	Initial balance	Provisions	Reductions (Note 7 1)	Ending balance
Long-term equity instruments	4,766,806	-	(1,500,000)	3,266,806
Impairment	-	(522,081)	-	(522,081)
Total net carrying value	4,766,806	(522,081)	(1,500,000)	2,744,725

### 7 1 Description of the principal changes during fiscal year 2013

The additions to long-term equity instruments correspond to the acquisition of 95% of the share capital of Adveo Italia, S R L for the purpose of participating in the area of activity of that company (Note 1)

Decreases and changes in impairment correspond entirely to the spin-off of Spicers España, S L U (Note 1)

#### Fiscal year 2012 changes Acquisition of shares of Spicers España S L U

On December 2, 2011, a capital increase was made by contribution of non-monetary assets in the amount of 326,674 Euros, with a share premium of 2,940,062 Euros. The counter value of the new shares acquired by Spicers Limited as sole shareholder consisted in the non-monetary contribution of a line of business consisting of assets and liabilities located in Spain and dedicated to the purchase and sale, import and export of stationary and office supplies. On the same day, that same set of assets and line of business in Spain was spun off and acquired by the SPICERS ESPAÑA S L company (single-member company), previously acquired by the Company for 3,000 Euros, with SPICERS ADMINISTRACIÓN Y SERVICIOS S L U taking on 100% of its share capital for the amount of 3,266,736 Euros.

In addition, as of 31 December 2011 Spicers Administración y Servicios, S L U made a contribution from partners, pending disbursement as at 31 December 2012 (Note 13), for an amount of €1,500,000 to its affiliate Spicers España, S L U. The amount to undertake this contribution was destined to cover payments for the employment terminal plan approved by the Adveo Group at the close of the 2012 fiscal year, in the part proportional to Spicers España, S L U. However, given that Spicers España, S L U eventually disbursed these in the 2012 fiscal year with its own liquidity, it is considered that as of December 2012 this contribution, still pending disbursement, was void given that this asset was

cancelled and the account payable to Spicers España, S L U was void, without affecting Net Equity or the profit and loss account of the company in the 2012 fiscal year

#### Investment in joint business

As stated in Note 1 to this report, the Company holds 50% of the capital stock of the company Inglesa NEW INCCO 1136, Ltd This company was incorporated by the Company together with the other Partner at 50% in Spicers Ltd in December 2011 with a capital stock of £100, thus the investment by the Company was €70 Its corporate purpose is to provide IT support to the Spicers Group in continental Europe and the United Kingdom

#### 7.2 Information regarding companies in the group

The information regarding shareholding in companies in the group is as follows

Name	Net carrying value	Shareholding percentage	Euros 2013					
			Capital stock and issuance premium	Reserves	Income for the year	Total capital and reserves	Income from continuing operations	Distributed dividends
Adveo Italia, S.R.L.	21,228,385	95%	200,000	9,681,912	1,312,712	11,194,624	3,432,474	0
New Incco 1136, Ltd (30/4/2013)	70	50%	100	-	218,000	218,000	277,850	-
<b>Total</b>	<b>21,228,455</b>							

Name	Net carrying value	Shareholding percentage	Euros 2012					
			Capital stock and issuance premium	Reserves and contributions to partners	Income for the year	Total capital and reserves	Income from continuing operations	Distributed dividends
Spicers España, S.L.	2,744,655	100%	2,969,736	725,904	(34,333)	2,774,655	387,116	-
New Incco 1136, Ltd (30/4/2012)	70	50%	100	-	165,749	165,749	165,749	-
<b>Total</b>	<b>2,744,725</b>							

Adveo Italia, S R L is a company registered at Viale dell'Industria 31, Castel San Giovanni, Piacenza, Italy. It specializes in the purchase and sale of all types of office products, stationary, electronic supplies and computer consumables.

Spicers España, S L was a company registered in the Madison Building, Carretera Nacional 340, 122-A, San Just Desvern, Barcelona, which has been absorbed in the 2013 fiscal year by the company group Adveo España, S A (Sole Shareholder Company). It specializes in the purchase and sale of all types of office products, stationary, electronic supplies and computer consumables.

New Incco 1136, Ltd is a company registered in the United Kingdom. Its corporate purpose is to provide IT support to the Spicers Group in continental Europe and the United Kingdom.

The aforementioned subsidiaries are not listed companies.

The companies' income shown in the table above corresponds entirely to continuing operations.

As of 31 December 2013, investment in Adveo Italia, S R L exceeded by €8,164,205 the value of Net Equity in this company. We have analysed the possibility that the book value of the investment will not be recoverable. To calculate the value-in-use, we have used cash flow estimates based on the company's five year Business Plan. The discount rate applied to cash flow estimates is 8.80% and cash flows after the five year period have been extrapolated using a 1.5% growth rate. Based on this analysis, we have concluded that there is no deterioration in the value of the shareholding and, therefore, it is not necessary to record a value adjustment.

At the close of FY2012 Spicers España, S L U. recorded a €34,333 loss after tax, therefore we analysed the possibility of the book value of the investment not being recoverable. To this end, we took into account that as of the date of preparing these annual accounts, a project was being prepared under which the Company divided its investment in Spicers España, S L U in favour of another company in the ADVEO Group, Adveo España, S A. Given that the division was performed for the net accounting value of the investment as of 31 December 2012 pursuant to current accounting regulations, the Sole Administrator decided to record a value adjustment on this investment for €522,081 up to a net accounting value of €2,744,655, which coincided with the Net Equity value of Spicers España, S L U as of 31 December 2012.

### 7.3 Compliance with the provisions of Article 155 L S C

All companies participating directly or indirectly in more than 10% are aware of this situation given that they have been expressly notified by ADVEO ADMINISTRACION Y SERVICIOS, S L U.

### 7.4 Other relevant information regarding investments in the group companies equity

On 29 December 2012, ADVEO GROUP INTERNATIONAL, S A (then named UNIPAPEL, S A) signed a guarantee contract with eight financial institutions who granted it a syndicated loan set aside for acquisition of Spicers in continental Europe, in the business combination that acquired SPICERS ADMINISTRACION Y SERVICIOS, S L U together with other Group Companies.

The guarantees related to the syndicated loan received by UNIPAPEL, S A included the pledge on capital stock of "Material Subsidiaries" who, by legal impediment justified to the satisfaction of all accrediting entities, were not linked to the contract as guarantors.

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In this sense, "Material Subsidiaries" are defined as affiliates who, at any time during the validity of the financing contract, meet any of the following requirements

- o Its assets represent, at least, 5% of the total assets;
- o Its EBITDA represents, at least, 5% of the consolidated EBITDA;
- o The revenue from that affiliate represent at least 5% of the consolidated revenue, and
- o It is a parent company to a material subsidiary

As of 31 December 2013, Adveo Italia, S R L is a material subsidiary subject to pledge

As of 31 December 2012, Adveo Administración y Servicios, S L U and its subsidiary Spicers España, S L U were material subsidiaries subject to pledge

Credit rights derived from the contracts related to the acquisition of Spicers are also subject to pledge.

## 8. FINANCIAL ASSETS

The financial assets as of 31 December 2013 and 2012 correspond fully to loans and receivables with the corresponding breakdown in the balance sheet on that date

The FY2013 balance corresponds mainly to centralisation operations for European discount contracts, while in FY2012 this included revenues plus sales to distributors and retail sellers in Italy

The fair value of these financial assets is not different from their carrying amount.

### Value adjustments

The balance of the entry "Clients by sales and service deliveries" was net in value adjustments Movements in said adjustments were as follows (in euro)

	2013	2012
Initial balance	1,323,259	1,402,416
Contribution branch of activity to Adveo Italia, S R L (Note 1)	(1,323,259)	-
Value adjustments	-	5,080
Failed	-	(84,237)
Total	<u>-</u>	<u>1,323,259</u>



#### 8.1 Other relevant information

There are no marketable values, granted loans, or any other similar financial investments securing debts at December 31, 2013 and 2012

In 2013 all trade payables are denominated in euros; therefore there is no exchange rate risk.

In 2013, as in the fiscal year 2012, there are no firm commitments to purchase financial investments or other marketable securities

### 9. INVENTORY

To December 31, 2013 and 2012 inventories are broken down as follows (in thousands of euros):

	2013	2012
Commercial	-	6,146,615
Advance to suppliers	-	24,237
Value adjustments	-	(376,600)
Total	-	5,794,252

There are no restrictions on these inventories since the Company has arranged insurance policies to cover potential risks

Variations in value adjustments in the years 2013 and 2012 are as follows

	2013	2012
Initial balance	376,600	487,160
Net reversals from fiscal year (Note 15.2)	-	(110,560)
Contribution from branch of activity to Adveo Italia, S R L (Note 1)	(376,600)	-
Ending balance	-	376,600

The total amount of commercial inventory from operations performed in Italy and that have been divided in favour of Adveo Italia, S R L as noted in the books as of 1 January 2013, pursuant to the provisions in Note 1 of this report

## 10. CASH AND OTHER EQUIVALENT LIQUID ASSETS

The composition of the trade accounts payable and other payables at December 31, 2013 is as follows.

Thousands of Euros	2013	2012
Cash on hand	-	1,996
Demand current accounts	1,302,741	5,273,605
Total	1,302,741	5,275,601

Demand current accounts accrue the corresponding market interest rate in 2013 and 2012

There are no restrictions on these balances.

## 11. NET EQUITY

### 11.1 Structured capital

The total capital stock is represented by 2,265,566 shares with a nominal value of €1.00 each

The Sole Partner of the Company is ADVEO GROUP INTERNATIONAL, S.A.

As indicated in Note 1 of this report, in 2013 a capital reduction was made by €236,178, due to a division of the shareholding in Spicers España, S.L.

There were no capital movements in FY2012. In FY2012, two capital increases were made through non-monetary contributions, contributing the shareholding in Spicers España, S.L. and the set of assets and liabilities in Spicers Italia (branch in Italy), in the amount of €326,674 and 1,935,882 Euros respectively.

### 11.2 Share issuance premium and remainder

Pursuant to Note 1 of this report, during FY2013 the share issuing premium was reduced by €2,538,477 due to a division of the shareholding in Spicers España, S.L.

There were no movements in the share issuance premium in FY2012.

### 11.3 Reserves / Profit from previous fiscal years

The list and movements for the various entries that make up the reserves and profit from previous fiscal years are as follows

(Euros)	Initial balance	Distribution of profits	Other movements	Ending balance
<b>Fiscal Year 2013</b>				
Legal reserve	-	371,794	-	371,794
Goodwill reserve	-	185,897	-	185,897
Voluntary reserves	(16,513)	3,159,295	-	3,142,782
	(16,513)	3,716,986	-	3,700,473
Profit from previous fiscal years	(956)	956	-	-
	(17,469)	3,717,942	-	3,700,473

### Fiscal Year 2013

Legal reserve	-	-	-	-
Voluntary reserves	-	-	(16,513)	(16,513)
	-	-	(16,513)	(16,513)
Profit from previous fiscal years	-	(956)	-	(956)
	-	(956)	(16,513)	(17,469)

### Goodwill reserve

Following the contribution in FY2013 of net assets in the Italian business to Adveo Italia, S R L , which included a commercial fund (Note 5), this reserve will be applied to voluntary reserves in FY2014

## 12. PROVISIONS AND CONTINGENCIES

### 12.1 Obligations for long-term loans to staff

The provision for long-term retributions (whose balance was €115,739 as of 31 December 2012) has been removed in FY2013 by dividing the assets and liabilities in the Italian business, which have been contributed to Adveo Italia, S R L

This provision originated from the current collective agreement in Italy whereby the Italian branch was obliged to pay certain amounts at the end of the work relationship with each employee. The amount of the compensation depends on the seniority the employee has at the time of termination. These compensations are not externalized. The provision in FY2012 was €3,248.

### 13. FINANCIAL LIABILITIES

Financial liabilities as of 31 December 2013 and 2012 correspond fully to loans and payables as listed on the balance sheet on that date.

At December 31, 2013, the fair value of these financial liabilities is not significantly different from their carrying amount.

#### 13.1 Information on deferment of payment to providers in commercial transactions

As regards Act 15/2012, of 5 July, amending Act 3/2004 of 29 December, which establishes measures to fight late payment in commercial transactions, a detail of the total amount paid to suppliers this year is included below, paying special attention to those payables which exceeded the legal payment period, as well as to the weighted average days past due and the outstanding suppliers balance that by the end of the fiscal year have exceeded the legal days past due.

	Payments and outstanding payments at balance sheet date			
	2013		2012	
	Amount	%	Amount	%
Within maximum legal payment period	13,674	-	514,101	100%
Rest	-	-	-	-
Total payments for the year	13,674	-	514,101	100%
Weighted average days past due	60		1	
Deferred payments exceeding the legal payment period	-		-	

Payments made in Spain in FY2013 are exclusively auditing invoices for the annual accounts, while in FY2012 they included direct debiting of credit insurance, paid on the first day of each month.

#### 14. TAX POSITION

As stated in Note 1 of this report, the company has its tax domicile in the United Kingdom, paying tax in this country for profit obtained by the company, without considering profits for its branch in Italy, which pays taxes independently in said country

The detail of the tax assets and liabilities at December 31, 2013 is as follows:

Euros (2013)	United Kingdom	Total
Other credits with public administrations	69,809	69,809
Total current assets	69,809	69,809
Liability for current tax (Note 14 1)	1,178,865	1,178,865
Other debts with Public Administrations	85,076	85,076
VAT	82,599	82,599
Income tax for individuals	2,477	2,477
Social Security	-	-
Total short-term liabilities	1,349,017	1,349,017

Euros (2012)	United Kingdom	Italy	Total
Deferred tax assets	-	547,962	547,962
Total non-current assets	-	547,962	547,962
Other Public Administration receivables	463,837	1,355,721	1,819,558
VAT	463,837	1,355,721	1,819,558
Total assets			
Deferred tax liabilities (Note 5)	-	2,118,262	2,118,262
Total long-term liabilities	-	2,118,262	2,118,262
Liability for current tax	720,000	1,470,184	2,190,184
Other debts with Public Administrations			
VAT	262,230	435,198	697,428
Income tax for individuals	2,468	122,746	125,214
Social Security	-	203,566	203,566
	264,698	761,510	1,026,208
Total short-term liabilities	984,698	2,231,694	3,216,392

According to current legal provisions, settlements of taxes cannot be considered definitive until inspected by the Tax Authorities or after the prescription period. The company ADVEO ADMINISTRACION Y SERVICIOS, S L is open to inspection of all taxes to which it is subject since its incorporation in November 2010.

The Sole Administrator of the Company believes that in these years open to inspection no significant contingent liabilities will arise for the annual accounts as a whole.

#### 14.1 Calculation of Corporation Tax

The liability recorded on 31 December 2013 for Corporation Tax corresponds to the cash payable in the United Kingdom by the company itself in its European discount management business for the profits generated in the fiscal year ending on 31 December 2013. FY2012 also includes profits for the Italian branch due to its commercial activities in Italy.

The tax rate for corporation tax applicable for FY2013 is 24% in the United Kingdom. In the previous fiscal year, the tax rate for corporation tax applicable was 27.5% in Italy (State tax) and 3.9% (regional tax calculated on a different basis) and 24% in the United Kingdom. The reconciliation between the book profit before tax and the taxable base in each country is as follows:

Fiscal Year 2013	United Kingdom	Italy	Total
Book profit before taxes	4,974,262	-	4,974,262
Permanent differences	(30,000)	-	(30,000)
Temporary differences	-	-	-
Application of tax-loss carryforwards	-	-	-
Taxable base (fiscal profit)	4,944,262	-	4,944,262
Fiscal Year 2013	United Kingdom	Italy	Total
Book profit before taxes	2,566,980	3,331,945	5,898,925
Permanent differences	469,218	338,366	807,584
Temporary differences	-	1,125,116	1,125,116
Application of tax-loss carryforwards	-	(591,070)	(591,070)
Taxable base (fiscal profit)	3,036,198	4,204,356	7,240,555

The permanent differences between FY2013 and FY2012 correspond to certain non-deductible expenses in the corresponding countries according to their tax regulations, with the permanent difference attributable to the United Kingdom being the value adjustment on the financial investment in Spicers España, S L U in the amount of €522,081 (Note 7) and its partial reversal for €30,000 in FY2013 (Note 7).

The temporary differences for Italy in FY2012 corresponded to the amount of €385,989 to temporary differences according to the applicable local tax regulation, and an amount of €739,127 for amortisation of client portfolio (Note 5)

The conciliation between the expense for tax on profits and the result of multiplying the effective tax rates applicable in each country (United Kingdom 24%, Italy 35%) by the profit before tax recorded in the profit and loss account is as follows for FY2013 and FY2012 (in euros)

<b>Profit and Loss Account – FY2013</b>			
	United Kingdom	Italy	Total
Balance before taxes	4,974,262	-	4,974,262
Theoretical tax burden	1,193,822	-	1,193,822
Permanent differences	(7,200)	-	(7,200)
<hr/>			
Effective tax expense / (revenue)	1,186,622	-	1,186,622

<b>Profit and Loss Account – FY2012</b>			
	United Kingdom	Italy	Total
Balance before taxes	2,566,980	3,331,945	5,898,925
Theoretical tax burden	616,075	1,207,856	1,823,931
Permanent differences	103,925	90,583	194,508
Application of tax-loss carryforwards	-	162,544	162,544
<hr/>			
Effective tax expense / (revenue)	720,000	1,460,983	2,180,983

The cost of corporation tax is detailed below

<b>Profit and Loss Account – FY2013</b>			
	United Kingdom	Italy	Total
Current tax	1,186,622	-	1,186,622
Variation in differed taxes			
Taxable bases pending offsetting	-	-	-
Other temporary differences	-	-	-
<hr/>			
Effective tax expense / (revenue)	1,186,622	-	1,186,622

<b>Profit and Loss Account - FY2012</b>			
	United Kingdom	Italy	Total
Current tax	720,000	1,470,184	2,190,184

Variation in differed taxes			
Taxable bases pending offsetting	-	162,544	162,544
Temporary differences - amortisation client relationship	-	(221,738)	(221,738)
Other temporary differences	-	49,993	49,993
Effective tax expense / (revenue)	720,000	1,460,983	2,180,983

The list of corporation tax payable as of 31 December 2013 and 2012 in each country is as follows (in euro)

Euros – FY2013	United Kingdom	Italy	Total
Current tax	1,186,622	-	1,186,622
Withholding and payment on account	(7,757)	-	(7,757)
Corporation Tax payable	1,178,865	-	1,178,865
Euros – FY2012	United Kingdom	Italy	Total
Current tax	720,000	1,470,184	2,190,184
Withholding and payment on account	-	-	-
Corporation Tax payable	720,000	1,470,184	2,190,184

#### 14.2 Liabilities for differed taxes

The details and movements of the various entries that make up assets and liabilities for differed tax is as follows

Euros – FY2013	Initial balance (Note 5.1)	Division of Italy business (Note 1)	Variations in profit and loss account	Ending balance
<b>Deferred tax assets</b>				
Temporary differences	547,962	(547,962)	-	-
	547,962	(547,962)	-	-
<b>Deferred tax liabilities</b>				
Temporary differences	(2,118,262)	2,118,262	-	-
	(2,118,262)	2,118,262	-	-
<b>Total</b>	<b>(1,570,300)</b>	<b>1,570,300</b>	<b>-</b>	<b>-</b>

At December 31, 2013 there are no tax-loss carryforwards pending payment in the UK

The movements in FY2012 were as follows



<u>Euros – FY2012</u>	<u>Initial balance (Note 5 1)</u>	<u>Variations in profit and loss account</u>	<u>Ending balance</u>
<b>Deferred tax assets</b>			
Tax-loss carryforwards	162,544	(162,544)	-
Temporary differences	597,955	(49,993)	547,962
	<u>760,499</u>	<u>(212,537)</u>	<u>547,962</u>
<b>Deferred tax liabilities</b>			
Temporary differences	(2,340,000)	221,738	(2,118,262)
	<u>(2,340,000)</u>	<u>221,738</u>	<u>(2,118,262)</u>
<b>Total</b>	<u>(1,579,501)</u>	<u>9,201</u>	<u>(1,570,300)</u>

## 15. REVENUE AND EXPENSES

### 15 1 Net amount of turnover and other operating revenues

The list of these entries as of 31 December is as follows

<u>Euros</u>	<u>2013</u>	<u>2012</u>
Sale of goods	-	54,765,883
Delivery of services	7,858,062	7,925,983
<b>Total net turnover</b>	<u>7,858,062</u>	<u>62,691,866</u>
<b>Other operating revenues</b>	<u>1,449,370</u>	<u>75,720</u>
<b>Total revenues</b>	<u>9,307,432</u>	<u>62,767,586</u>

The amount of goods sold in FY2012 corresponded fully to sales made by the branch in Italy, while the amount of services delivered in FY2013 and FY2012 corresponded mainly to management services rendered by the Company to other companies in the Adveo group

The amount of other operating revenues in FY2013 corresponded to fees for countries for IT developments performed by Venture Connect

### 15 2 Provisioning

The details as of 31 December is as follows

<b>Euros</b>	<b>2013</b>	<b>2012</b>
Consumption of goods	-	38,605,418
Deterioration of goods	-	(110,560)
<b>Total</b>	<b>-</b>	<b>38,494,858</b>

All provisions for FY2012 corresponded to the business of the branch in Italy

#### 15 3 Employment taxes

The details as of 31 December is as follows

<b>Euros</b>	<b>2013</b>	<b>2012</b>
Social security charged to the company	79,902	1,367,852
Other employment expenses	64,947	388,412
<b>Total</b>	<b>144,849</b>	<b>1,756,264</b>

#### 15 4 External services

The details as of 31 December is as follows

<b>Euros</b>	<b>2013</b>	<b>2012</b>
Leasing and fees	77,197	239,800
Repairs and Conservation	-	197,684
Services from independent professionals	4,081,685	4,074,614
Transport	-	3,336,956
Insurance premiums	-	752,236
Bank services and similar	784	28,875
Supplies	-	219,189
Advertising	1,974	-
Other services	32,182	1,598,869
<b>Total</b>	<b>4,193,822</b>	<b>10,448,223</b>

The costs for services from independent professionals correspond mainly to IT services received from Joint Venture (Note 7) and management support services from various linked companies (Note 16)

#### 15 5 Financial revenues

The details as of 31 December is as follows

<b>Euros</b>	<b>2013</b>	<b>2012</b>
<b>Of marketable securities and other financial instruments</b>	<b>42,756</b>	<b>46,921</b>
For companies in the group and associated companies	42,756	46,921
<b>Total</b>	<b>42,756</b>	<b>46,921</b>

#### 15 6 Financial costs

The details as of 31 December is as follows

<b>Euros</b>	<b>2013</b>	<b>2012</b>
For debts to companies in the group and associated companies	42,943	14,458
<b>Total</b>	<b>42,943</b>	<b>14,458</b>

#### 15 7 Differences in exchange rate

The details as of 31 December is as follows

<b>Euros</b>	<b>2013</b>	<b>2012</b>
Positive exchange rate differences	367,984	88,098
Negative exchange rate differences	(173,547)	(160,198)
<b>Total</b>	<b>194,437</b>	<b>(72,100)</b>

### 16. TRANSACTIONS WITH LINKED PARTIES

The Company's related parties and the type of relationship are as follows:

<b>Name</b>	<b>Beginning of relationship</b>	<b>Type of relationship</b>
Adveo Group International, S A	2013 and 2012	Sole Shareholder
Spicers España, S.L.	2013	Subsidiary company
Other Spicers Group companies	2013 and 2012	Linked companies
Sole Administrator	2013 and 2012	Company Administrator

The balances kept with linked entities as of 31 December 2013 and 2012 are as follows

Year 2013 (Euros)	Shareholding l/t companies in group and associated companies (Note 7)	Investments companies in group and associated companies s/t (Note 16)	Clients companies in group and associated companies (Note 8 2)	Debt companies in group and associated companies s/t	Providers companies in group and associated companies s/t
Adveo Group International, S A	-	1,274,907	356,900	-	267,673
Adveo France, S A S	-	-	376,999	20,086	-
Adveo España, S A	-	246,270	535,960	228,491	42,455
Adveo Italia S A R L	19,358,829	988,208	40,337	-	-
Unipapel France S A R L	-	-	2,744	-	-
Adveo Deutschland, GmbH	-	86,893	183,147	5 956	-
Adveo Netherland	-	-	36,619	69,649	-
Adveo Belgium, N V	-	44,159	-	-	240,453
<b>Total</b>	<b>19,358,829</b>	<b>2,640,437</b>	<b>1,532,707</b>	<b>324,182</b>	<b>550,581</b>

Year 2012 (Euros)	Credits for companies in group and associated companies l/t (Note 7)	Clients companies in group and associated companies (Note 8 2)	Debts companies in group and associated companies l/t	Debt companies in group and associated companies s/t (Note 12)
Adveo Group International, S A	2,707,144	-	-	(1,833,711)
Adveo France, S A S	-	1,645,099	-	(188,620)
Adveo España, S A	-	-	-	(508,898)
Spicers España, S L U	310,775	-	-	(2,919)
Adveo Digital Systems España, S A	-	-	-	(2,779,432)
Spicers Deutschland, GmbH	692,362	-	-	(7,156)
Spicers Belgium, N V	5,301	(1,400)	-	-
Spicers Netherlands, B V	-	-	-	-
<b>Total</b>	<b>3,715,582</b>	<b>1,643,699</b>	<b>-</b>	<b>(5,320,736)</b>

Revenues and costs derived from transactions conducted with linked entities are as follows

Revenues / (Costs)	Euros					
	Purchase of goods	Services provided support management	Services received support management	Allocation of central discounts (*)	Financial expenses	Financial revenues
<b>Fiscal Year 2013</b>						
Adveo Group International, S A	-	-	(7,609)	-	(39,965)	40,659
Adveo France, S A S	-	2,088,642	(39,285)	(1,213,638)	-	-
Adveo España, S A	-	529,110	-	(342,725)	(2,978)	2,097
Adveo Netherland	-	36,334	(250,796)	(278,646)	-	-
Adveo Italy S A R L	-	547,062	-	(351,754)	-	-
Adveo Deutschland, GmbH	-	1,063,608	-	(649,987)	-	-
Adveo Belgium, N V	-	234,410	-	(352,961)	-	-
Unipapel France S A R L	-	102,954	-	(44,621)	-	-
Adveo Portugal	-	18,996	-	-	-	-
New Incco 1136, Ltd	-	-	(3,634,790)	-	-	-

<b>Total</b>	<u>-</u>	<u>4,621,116</u>	<u>(3,932,480)</u>	<u>(3,234,332)</u>	<u>(42,943)</u>	<u>42,756</u>
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(\*) In FY2012, the Company managed European discounts in the amount of €6,467,079, of which €3,234,332 have been attributed to group companies, leaving a net revenue for discount management and marketing contributions of €3,232,747

Revenues / (Costs)	Euros				Financial expenses	Revenues Financial
	Purchase of goods	Services provided support management	Services received support management	Allocation of central discounts		
<b>Fiscal Year 2012</b>						
Adveo Group International, S A	-	-	(503,000)	-	(14,458)	46,921
Adveo France, S A S	(13,500)	1,895,139	-	946,883	-	-
Adveo España, S A	-	-	(379,000)	-	-	-
Spicers España, S L U	-	529,482	-	219,084	-	-
Adveo Digital Systems España, S A	(7,101,717)	-	-	-	-	-
Spicers Deutschland, GmbH	-	1,115,157	-	372,051	-	-
Spicers Belgium, N V	-	404,021	-	216,467	-	-
New Incco 1136, Ltd	-	-	(2,606,854)	-	-	-
<b>Total</b>	<u>(7,115,217)</u>	<u>3,943,799</u>	<u>(3,488,854)</u>	<u>1,754,485</u>	<u>(14,458)</u>	<u>46,921</u>

In FY2012, discounts were managed in the amount of €4,585,498, of which €1,754,485 were attributed to companies in the group, leaving a net revenue for management of discounts and marketing contributions of €2,840,013

#### 16.1 Administrators and senior management

The position of Administrator is not remunerated.

The Company considers senior management as those people who exercise functions related to the general objectives of the Company, such as planning, management and control of activities, carrying out their functions independently and with full responsibility, only limited by the criteria and instructions from legal representatives of the Company or the governance and administration bodies led by those representatives. Given that strategic decisions and business transactions are instructed and controlled by the Adveo Group, the Company does not maintain anyone in its workforce who could be considered as senior management according to the above definition.

At December 31, 2013 and 2012 no loans or advances had been granted to the Sole Administrator

At December 31, 2013 and 2012 the Society has no commitments or obligations related to pensions or guarantees with the Sole Administrator

In compliance with Articles 229 and 230 of the Capital Companies Law, the Administrator has not informed the Company of situations of conflict with the Company's interest

## 17. GUARANTEES MADE TO THIRD PARTIES

As of 31 December 2013, the Company has not granted any operating endorsements. As of 31 December 2012, it had operating endorsements for certain financial institutions in Italy for clients in the amount of €2,725,000.

## 18. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS

The Company's risk management policies are established by the management of ADVEO GROUP INTERNATIONAL, S.A. as the Sole Partner, having been approved by the Board of Directors of ADVEO GROUP INTERNATIONAL, S.A. Based on these policies, the Finance Department and Management Control Department of ADVEO GROUP INTERNATIONAL, S.A. have established a series of procedures and controls that allow identification, measurement and management of risks derived from the activity with financial instruments.

Activity with financial instruments makes the Company subject to credit, market risk and liquidity risks.

### 18.1 Credit risk

Credit risk is the risk of losses that may arise in case third parties hired by the Company default on their contractual obligations, i.e. the possibility of not recovering the amount recognized for the financial assets, and doing so in due time.

Maximum credit risk exposure at December 31 is as follows:

Thousands of Euros	2013	2012
Trade accounts receivable and other receivables	3,700,427	19,504,694
Short-term investments in companies in the group and associated companies	2,640,437	3,715,582
Cash and cash equivalents	1,302,741	5,275,601
Total	7,643,605	28,495,877

The company covers the risk of its operations in Italy with credit and surety insurances for most of its trading portfolio.

### 18.2 Market risk

Market risk is the risk of losses arising from movements in the fair value or the future cash flows of a financial instrument due to changes in market prices. Market risk includes interest rate risk, exchange rate risk and other price risks.

### Interest rate risk

Interest rate risk is the risk of losses arising from movements in the fair value or future cash flows of a financial instrument due to changes in market interest rates

There is no risk to the Company given that it does not have any credit lines

### Exchange rate risk and other price risks

The Sole Administrator believes that the Company is not subject to other exchange rate risks or price risks because it does not conduct significant transactions in currencies other than Euros and the Company does not hold shareholding in listed shares or in financial products subject to high volatility in prices

### 18.3 Liquidity risk

Liquidity risk is the risk that the Company will not have, or have access to, enough liquid funds, and at an adequate cost, to afford its payment obligations at all times. The Company's goal is to keep the necessary liquid funds available. The Company's policy establishes the following minimum liquidity to be kept at all times:

- An amount superior to 10% of the liabilities must be kept in "Cash and cash equivalents."

Percentages at December 31, 2013 are as follows:

Euros	2013	2012
Trade accounts payable and other payables	2,142,790	18,265,337
Cash and cash equivalents	1,302,741	5,275,601
	61%	29%

If necessary, the Company has financial support from other companies in the group, in which ADVEO GROUP INTERNATIONAL, S.A. is the dominant Company.

## 19. OTHER INFORMATION

### 19.1 Employee structure

The company's average employees, divided by category, are as follows:

Fiscal Year 2013	Men	Women	Total
Management	3	1	4
Administrative	-	-	-
Total	3	1	4

All located in the UK

Fiscal Year 2013	Men	Women	Total
Management	2	-	2
Administrative	40	44	84
Total	42	44	86

In FY2012, there were 3 employees in the UK, the rest were in Italy

### 19.2 Auditing fees

The fees accrued for services provided by the accounts auditor are as follows

Euros	2013	2012
Audit services		
Spain	23,000	15,000
Italy	-	18,000
United Kingdom	-	6,000
Total	23,000	39,000

### 19.3 Environmental information

During the years 2013 and 2012, the Company did not incorporate systems, equipment or installations to the tangible assets, in connection with the minimization of environmental impact, or environmental protection and improvement.

The Company has not incurred significant costs in 2013 and 2012 related to environmental protection or improvement



The administrators consider that there are no significant contingencies in connection with environmental protection and improvement and consequently, that no provisions need to be recognized to that respect in 2013 and 2012.

## **20      EVENTS AFTER THE CUT-OFF**

No significant events occurred between 31 December 2013 and the date of preparing these annual accounts

**ADVEO ADMINISTRACION Y SERVICIOS, S.L.U.**  
**Management report for the fiscal year 2013**

After the division of business in Italy and the shareholding in Spicers España, the Company has focused its activity on management of European discounts and marketing contributions for the operating units of Adveo Group, and the management of IT systems that support the operations of the former companies in the Spicers Group that were acquired by Adveo Group International, S A at the close of FY2011

Adveo Administración y Servicios, S L U has the objective of improving the leading position of Adveo Group by focusing on commercial efficacy and operational efficiency, through optimisation of European purchase management. The improvement in centralisation of purchase contracts, the flexibility to adapt to clients' needs, and control of costs are some of the pillars that have enabled us to satisfactorily close FY2013

The Company has not conducted any activities related to research and development during the year 2013.

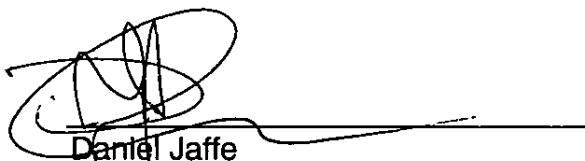
As of 31 December 2013, the Company does not have shares in itself

No significant events have occurred between 31 December 2013 and the date of preparing these annual accounts and management report

**ADVEO ADMINISTRACIÓN Y SERVICIOS, S.L.U.**

**Preparation of the annual accounts and management report**

The above annual accounts for FY2013 of ADVEO ADMINISTRACIÓN Y SERVICIOS, S L U included on the above pages numbered 1 to 54 and the management report for FY2013, included on the previous page, have been prepared by the Sole Administrator of the Company on 30 September 2014



Daniel Jaffe  
Sole Administrator