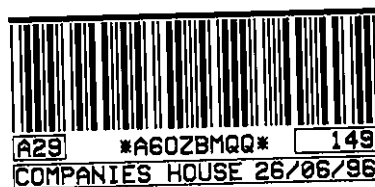


DIXON EUROPE LIMITED
(abbreviated accounts)

Year ended

30 September 1995



Registered Number : 01675685

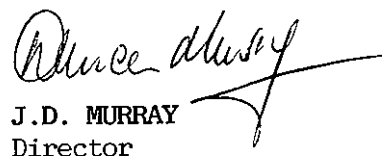
Balance sheet at 30 September 1995

	Note	1995	1994
		£	£
Fixed assets			
Tangible assets	2	25,851	19,143
Current assets			
Stocks		224,375	153,621
Debtors -due within one year		153,416	132,545
Cash at bank and in hand		34,158	36,638
		<u>411,949</u>	<u>322,804</u>
Creditors: amounts falling due within one year		<u>35,437</u>	<u>12,679</u>
Net current assets		<u>376,512</u>	<u>310,125</u>
Total assets less current liabilities		<u>402,363</u>	<u>329,268</u>
Creditors: amounts falling due after more than one year	3	<u>1,378,325</u>	<u>1,275,826</u>
Net liabilities		<u>(975,962)</u>	<u>(946,558)</u>
Capital and reserves			
Called up share capital	4	640	640
Share premium account		263,196	263,196
Profit and loss account		(1,239,798)	(1,210,394)
		<u>(975,962)</u>	<u>(946,558)</u>

In preparing these abbreviated accounts we have relied upon sections 246 and 247 of the Companies Act 1985 on the grounds that the company is entitled to the benefit of those sections as a small company.

In preparing the shareholders financial statements advantage has been taken of the special exemptions applicable to small companies on the grounds that the company is entitled to the benefit of those exemptions as a small company.

These financial statements were approved by the Board on 13th November 1995.


J.D. MURRAY
Director

The notes on pages 2 to 5 form part of these financial statements

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following accounting policies have been applied:

Turnover represents sales to external customers at invoiced amounts less value added tax.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Plant, machinery, etc. - 10-33.3% on the straight line

Cash flow statements have not been prepared in accordance with the exemption provided under Financial Reporting Standard (FRS)1.

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are recorded at the actual exchange rate at the date of the transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transactions is dealt with through the profit and loss account.

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Tangible fixed assets

	Plant and machinery etc £
<i>Cost or valuation</i>	
At 1 October, 1994	57,006
Additions	23,313
Disposals	(23,388)
	<hr/>
At 30 September, 1995	56,931
	<hr/>
<i>Depreciation</i>	
At 1 October, 1994	37,863
Provided for the year	7,530
Disposals	(14,313)
	<hr/>
At 30 September, 1995	31,080
	<hr/>
<i>Net book value</i>	
30 September, 1995	<u>25,851</u>
30 September, 1994	<u>19,143</u>

3 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Amounts owed to Dixon Ticonderoga Company	1,378,325	1,275,826
	<u>1,378,325</u>	<u>1,275,826</u>

4 Called up share capital

	1995 £	1994 £
<i>Authorised</i>		
Ordinary shares of £1.00 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1.00 each	640	640
	<u>640</u>	<u>640</u>

5 Ultimate holding company and parent undertaking of larger group of which the company is a member

The company's ultimate parent company is Dixon Ticonderoga Company, a company registered in the United States of America.

6 Going Concern

The holding company has confirmed that it will continue to ensure that sufficient funds are made available to the company to enable its debts to be paid as they fall due in the foreseeable future. The directors therefore feel it is appropriate that these financial statements be prepared on the going concern basis.

Report of the auditors

Auditors' report to the directors of DIXON EUROPE LIMITED (formerly Dixon U.K. Limited) pursuant to paragraph 24 of Schedule 8 of the Companies Act.

We have examined the abbreviated accounts on pages 1 to 5 together with the full financial statements of DIXON EUROPE LIMITED for the year ended 30 September 1995. The scope of our work for the purpose of the report was limited to confirming that the directors are entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the directors are entitled under section 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts in respect of the year ended 30 September 1995 and the abbreviated accounts on pages 1 to 5 have been properly prepared in accordance with Schedule 8 to that Act.

Today we reported, as auditors of DIXON EUROPE LIMITED, to the members on the full financial statements prepared under the Companies Act for the year ended 30 September 1995 and our audit report was as follows:

"We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 1 and 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

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

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

FUNDAMENTAL UNCERTAINTY

In forming our opinion we have considered the adequacy of disclosures made at note 14 in the financial statements regarding the availability of continued support from the holding company. The financial statements have been prepared on the going concern basis, the validity of which depends upon this future support. The financial statements do not include any adjustments that would result from the withdrawal of this support. Our opinion is not qualified in this respect.


DIXON EUROPE LIMITED

Report of the auditors continued

Auditors' report to the directors of DIXON EUROPE LIMITED pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September, 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."



TEMPLE & Co.
*Certified Accountants
and Registered Auditor*
Peterborough

13 November 1995