Registered No. 1399415

Esselte Holdings Limited

Report and Financial Statements

31 December 2017

Contents

Company Information

Directors
N R Gunn (resigned 24 July 2018)
W J Thomas (resigned 24 July 2018)
R M Grimes (appointed 12 July 2018)
K A Spence (appointed 12 July 2018)

Secretary
W J Thomas (resigned 24 July 2018)
R M Grimes (appointed 12 July 2018)

Auditor
KPMG LLP
Watford Office
58 Clarendon Road
Watford
WD17 1DE

Registered Office
Oxford House
Oxford Road
Aylesbury
England
HP21 8SZ

Strategic report

The directors present their strategic report on Esselte Holdings Limited ("the Company") for the year ended 31 December 2017.

Principal activity

The Company's principal activity during the year continued to be that of a parent undertaking.

Business review

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

The result for the year after taxation amounted to £nil (2016 – Profit of £435,444). The directors do not recommend a final dividend.

On behalf of the Board

R M Grimes

Director

Date: 10 September 2018

Directors' report

Registered No. 1399415

The directors present their report and financial statements for the year ended 31 December 2017.

Directors of the company

The Company directors are R M Grimes (appointed 12 July 2018) and K A Spence (appointed 12 July 2018), N R Gunn and W J Thomas both resigned as directors on 24 July 2018.

Future developments

The directors expect the activities of this company as a parent undertaking to continue in the foreseeable future.

Results and dividends

The result for the year after taxation amounted to £nil (2016 - Profit of £435,444). The directors do not recommend a final dividend (2016 – £nil).

Going concern

Further to the information above, the directors have been assured that the necessary and appropriate parent company guarantees and financial support will be maintained and available if necessary to meet its liabilities as and when they fall due if or when the intra-group ownership structure changes. The directors have therefore prepared these financial statements on the going concern basis. The directors have discussed the ultimate parent undertaking's (ACCO Brands Corporation) letter of support to the Company with the directors of the ultimate parent undertaking, and are satisfied that the ultimate parent undertaking will be in a position to provide the necessary financial support, if it is required. The directors therefore have no reasons to believe that the financial support will not continue in the future.

Post balance sheet event

There have been no significant events subsequent to the year end.

Disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board

Robert Grimes

R M Grimes

Director

Date: 10 September 2018

Directors' responsibilities statement

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report

to the members of Esselte Holdings Limited

Opinion

We have audited the financial statements of Esselte Holdings Limited ("the Company") for the year ended 31 December 2017 which comprise the Income Statement, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report

to the members of Esselte Holdings Limited

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

M Matthewman

Mark Matthewman (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Watford Office
58 Clarendon Road
Watford
WD17 1DE

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Income Statement

for the year ended 31 December 2017

	Notes	*2017* *£000*	*2016* *£000*
Liquidation of subsidiaries	4	–	435
Profit on ordinary activities before taxation	5	–	435
Tax	6	–	–
Profit for the financial year		–	435

The notes on pages 10 to 15 form part of these financial statements

Statement of comprehensive income

for the year ended 31 December 2017

	Note	*2017* *£000*	*2016* *£000*
Profit for the financial year		–	435
Other comprehensive income		–	–
Total comprehensive income for the year		–	435

Balance sheet

at 31 December 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Investments	7	–	–
Current assets			
Debtors	8	25,403	25,403
Cash at bank and in hand		1	1
Net current assets		25,404	25,404
Net assets		25,404	25,404
Capital and reserves			
Share capital	9	23,690	23,690
Retained earnings		1,714	1,714
Total Equity		25,404	25,404

The notes on pages 10 to 15 form part of these financial statements

Robert Grimes

R M Grimes

Director

Date: 10 September 2018

Company registered number 01399415

Statement of Changes in Equity

For the year ended 31 December 2017

	Share capital £000	*Retained Earnings £000*	*Total Equity £000*
At 1 January 2016	23,690	1,279	24,969
Gain for the year	–	435	435
At 1 January 2017	23,690	1,714	25,404
Gain for the year	–	–	–
At 31 December 2017	23,690	1,714	25,404

The notes on pages 10 to 15 form part of these financial statements

Notes to the financial statements

At 31 December 2017

1. Authorisation of financial statements and statement of compliance with FRS 102

The financial statements of Esselte Holdings Limited (the "Company") for the year ended 31 December 2017 were authorised for issue by the board of directors on 10 September 2018 and the balance sheet was signed on the board's behalf by R M Grimes. Esselte Holdings Limited is incorporated and domiciled in England and Wales.

The financial statements of the Company have been prepared in accordance with the Companies Act 2006, as applicable to companies using Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. In the transition to FRS 102 from Adopted FRS101, the Company has made no measurement and recognition adjustments. The financial statements have been prepared on a going concern basis under the historical cost convention.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of ACCO Brands Corporation who prepare publically available audited accounts.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

The Company has prepared the accounts under FRS 102 for all periods presented. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes, and
- Transactions or balances with other wholly owned subsidiaries of ACCO Brands Corporation

2.2 Judgements and key sources of estimation uncertainty

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

2.3 Significant accounting policies

Going concern

The directors have been assured that the necessary and appropriate parent company guarantees and financial support will be maintained and available if necessary to meet its liabilities as and when they fall due if or when the intra-group ownership structure changes. The directors have therefore prepared these financial statements on the going concern basis. The directors have discussed the ultimate parent undertaking's letter of support to the Company with the directors of the ultimate parent undertaking, and are satisfied that the ultimate parent undertaking will be in a position to provide the necessary financial support, if it is required. The directors therefore have no reasons to believe that the financial support will not continue in the future.

Group financial statements

The financial statements contain information about Esselte Holdings Limited as an individual company, and do not contain group financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare group financial statements as it and its subsidiaries are included by full consolidation in the financial statements of its parent (at the Balance Sheet date, see Note 10 for further information), ACCO Brands Corporation.

Notes to the financial statements

At 31 December 2017

2. Accounting policies (continued)

Investments

Fixed asset investments, representing investments in subsidiary companies, are stated at historical cost less any applicable provision for impairment. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the year-end are retranslated at the rate of exchange ruling at the year end.

All differences are taken to the profit and loss account.

Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are discounted where the effect of the time value of money is material.

Financial Instruments

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss or loans and receivables.

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company's financial assets include cash and short-term deposits, trade and other receivables and loan notes.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss*:* Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Financial assets at fair value through profit and loss are carried in the balance sheet at fair value with changes in fair value recognised in finance revenue or finance expense in the income statement.

Notes to the financial statements

At 31 December 2017

2. Accounting policies (continued)

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost. Losses arising from impairment are recognised in the income statement in other operating expenses.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Interest bearing loans and borrowings: Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Financial liabilities are initially carried at fair value. Transaction costs are included in the original carrying amount of financial liabilities. All financial liabilities are subsequently carried at amortized cost. Financial liabilities are classified as current liabilities unless they mature over 12 months after the balance sheet date, in which case they are included in long-term liabilities.

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle liabilities simultaneously.

iv) Fair values

For financial instruments not traded in an active market, the fair value is determined using arm's length market transactions.

3. Directors' remuneration

No remuneration was paid by the Company to its directors (2016 – £nil).

The directors are remunerated by other group companies. Their services to Esselte Holdings Limited are inconsequential to attract a notional charge.

Notes to the financial statements

At 31 December 2017

4. Liquidation of subsidiaries

	2017	*2016*
	£000	*£000*
Final distribution from liquidation of subsidiary	–	435

5. Gain on ordinary activities before taxation

The auditors were remunerated for audit services by a subsidiary undertaking in both the current and prior year. The gain on ordinary activities before taxation in the prior year relates to the Liquidation of subsidiaries.

6. Taxation

(a) Tax on gain on ordinary activities

The tax is made up as follows:

	2017	*2016*
	£000	*£000*
Current tax:		
Current tax on the income for the year	–	–
Total current income tax (note 6(b))	–	–
Deferred tax:		
Origination and reversal of timing differences	–	–
Total deferred tax	–	–
Total tax charge/(credit)	–	–

(b) Factors affecting the current tax charge for the year

The UK corporation tax rate was 20% from 1 April 2015. The 2015 Finance Bill reduced the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. The 2016 Finance Bill further reduced the rate to 17% from 1 April 2020, and since this change was enacted during 2016 the impact of these rate reductions has already been effected in the prior year financial statements.

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.25% (2016 – 20%). The differences are explained below:

	2017	*2016*
	£000	*£000*
Profit/(Loss) on ordinary activities before tax	–	435
Tax on profit/(loss) at standard UK tax rate of 19.25% (2016 – 20%)	–	87
Effects of:		
Expenses not deductible for tax purposes	–	338
Income not taxable	–	(425)
Tax charge for the period (note 6(a))	–	–

Notes to the financial statements

At 31 December 2017

7. Investments

	2017	*2016*
	£000	*£000*
Cost:		
Beginning of year	–	53,889
Liquidated during year	–	(1,688)
End of year	–	52,201
Amounts provided:		
Beginning of year	–	(52,201)
Liquidated during year	–	–
End of year	–	(52,201)
Net book value:		
Beginning of year	–	1,688
End of year	–	–

Details of the Company's investments are as follows:

Name of Company	*Nature of business*	*Country of incorporation*
Esselte Limited Oxford House, Oxford Road Aylesbury, England, HP21 8SZ	Provides services to Group undertakings	United Kingdom
Esselte UK Limited Oxford House, Oxford Road Aylesbury, England, HP21 8SZ	Markets office products	United Kingdom

8. Debtors

	2017	*2016*
	£000	*£000*
Loans owed by other group undertakings	25,403	25,403

Loans owed by other group undertakings are repayable on demand and are interest free.

9. Issued share capital

		2017		*2016*
Allotted, called up and fully paid	*No.*	*£000*	*No.*	*£000*
Ordinary shares of 10p each	236,903,854	23,690	236,903,854	23,690

Notes to the financial statements

At 31 December 2017

10. Ultimate parent undertaking and controlling party

The Company's ultimate group undertaking is ACCO Brands Corporation. Financial statements of ACCO Brands Corporation are available to the public and may be obtained from ACCO Brands Corporation, Four Corporate Drive, Lake Zurich, IL60047-8997.

The Company's immediate group undertaking is Esselte Business BVBA.

11. Post balance sheet event

There have been no significant events subsequent to the year end.