

Diva Europe Limited

Company Registration No 2499521

Abbreviated accounts

For the year ended 31 December 2007

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DIVA EUROPE LIMITED

COMPANY INFORMATION

Directors	J E Selby N C Atkins
Company secretary	ASB Secretarial Services Limited
Company number	02499521
Registered office	Diva House Imberhorne Lane East Grinstead West Sussex RH19 1QZ
Auditors	Mazars LLP Chartered Accountants & Registered Auditors 37 Frederick Place Brighton BN1 4EA
Solicitors	ASB Law 108 High Street Crawley West Sussex RH10 1AS

DIVA EUROPE LIMITED

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DIVA EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The Directors present their report and the financial statements for the year ended 31 December 2007

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the company in the year under review was the provision of management services. The principal activities of the subsidiary undertakings were the supply of specialty technology papers.

Business review

During the year the company closed its company in Sweden and made provision for debts not considered collectable and the value of the investment made. Other than this no significant change in the nature of these activities occurred during the year.

Results

The profit for the year, after taxation, amounted to £151,466 (2006 - loss £60,814).

Directors

The Directors who served during the year were

J E Selby
N C Atkins

DIVA EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

Future developments

The directors consider the group to be well placed to take advantage of any suitable opportunities which might arise for expansion

Provision of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

During the year, glm Guest Lloyd Limited resigned as auditors to the company and Mazars LLP were appointed in their place. A resolution to reappoint Mazars LLP, will be proposed in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 01-09-08 and signed on its behalf



N C Atkins
Director

DIVA EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO DIVA EUROPE LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts of Diva Europe Limited for the year ended 31 December 2007 set out on pages 4 to 14, together with the financial statements of the company for the year ended 31 December 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 'The special auditors' report on abbreviated accounts in the United Kingdom' issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 have been properly prepared in accordance with that provision.

Mazars LLP

Mazars LLP

Chartered Accountants &
Registered Auditors

37 Frederick Place
Brighton
BN1 4EA

Date 2 September 2008

DIVA EUROPE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
Gross profit	2	382,710	234,249
Administrative expenses		(314,857)	(225,269)
Operating profit	2	67,853	8,980
Exceptional items	6		
Other exceptional items	6	-	(61,401)
Profit/(loss) on ordinary activities before interest		67,853	(52,421)
Interest payable	5	(150)	(8,393)
Profit/(loss) on ordinary activities before taxation		67,703	(60,814)
Tax on profit/(loss) on ordinary activities	7	83,763	-
Profit/(loss) on ordinary activities after taxation		151,466	(60,814)

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account

The notes on pages 7 to 14 form part of these financial statements

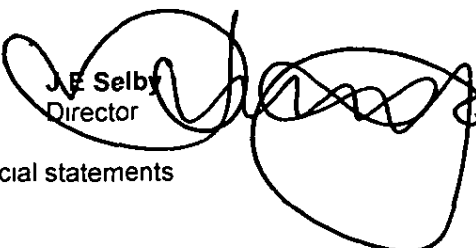
DIVA EUROPE LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	£	2007 £	£	2006 £
Fixed assets					
Fixed asset investments	8		1,919,425		1,919,425
Current assets					
Debtors	9	122,478		6,075	
Cash in hand		1		1	
		<u>122,479</u>		<u>6,076</u>	
Creditors: amounts falling due within one year	10	<u>(2,209,117)</u>		<u>(2,161,962)</u>	
Net current liabilities			<u>(2,086,638)</u>		<u>(2,155,886)</u>
Total assets less current liabilities			<u>(167,213)</u>		<u>(236,461)</u>
Creditors: amounts falling due after more than one year	11		-		(82,218)
Net liabilities			<u>(167,213)</u>		<u>(318,679)</u>
Capital and reserves					
Called up share capital	13		42,858		42,858
Share premium account	14		3,000		3,000
Capital redemption reserve	14		9,642		9,642
Profit and loss account	14		<u>(222,713)</u>		<u>(374,179)</u>
Shareholders' deficit	15		<u>(167,213)</u>		<u>(318,679)</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 01-09-08


N C Atkins
Director


J E Selby
Director

The notes on pages 7 to 14 form part of these financial statements

DIVA EUROPE LIMITED

ABBREVIATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
Net cash flow from operating activities	16	82,155	90,568
Returns on investments and servicing of finance	17	(150)	(8,393)
Cash inflow before financing		<u>82,005</u>	<u>82,175</u>
Financing	17	(82,218)	(82,176)
Decrease in cash in the year		<u>(213)</u>	<u>(1)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 £	2006 £
Decrease in cash in the year	(213)	(1)
Cash outflow from decrease in debt and lease financing	<u>82,218</u>	<u>82,176</u>
Movement in net debt in the year	<u>82,005</u>	<u>82,175</u>
Net debt at 1 January 2007	(82,218)	(164,393)
Net debt at 31 December 2007	<u>(213)</u>	<u>(82,218)</u>

The notes on pages 7 to 14 form part of these financial statements

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.3 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.4 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.5 Going concern

The financial statements have been prepared on the going concern basis on the grounds that the directors of Papergraphics Limited, a subsidiary company, have indicated their willingness to continue to support the company to meet its financial obligations as they fall due for a period of at least twelve months from the date on which these financial statements are signed.

The financial statements make no provision for any adjustment should the going concern basis not be appropriate.

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

2 Operating profit

The operating profit is stated after charging

	2007 £	2006 £
Auditors' remuneration	2,500	2,500

3 Staff costs

Staff costs, including Directors' remuneration, were as follows

	2007 £	2006 £
Wages and salaries	269,426	191,724
Social security costs	25,384	22,972
Other pension costs	1,443	1,443
	296,253	216,139

The average monthly number of employees, including the Directors, during the year was as follows

	2007 No.	2006 No.
Administration (including directors)	5	5

4. Directors' emoluments

	2007 £	2006 £
Emoluments	169,913	130,168
Company pension contributions to money purchase pension schemes	1,443	1,443

During the year retirement benefits were accruing to 1 Director (2006 - 1) in respect of money purchase pension schemes

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

5. Interest payable

	2007 £	2006 £
On bank loans and overdrafts	41	173
Other interest	109	8,220
	<u>150</u>	<u>8,393</u>

6 Exceptional items

	2007 £	2006 £
Permanent diminution in value of fixed asset investments	-	61,401
	<u>-</u>	<u>61,401</u>

7 Taxation

	2007 £	2006 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the year	-	-
Deferred tax (see note 12)		
Tax losses carried forward	(83,763)	-
	<u>(83,763)</u>	<u>-</u>
Tax on profit/loss on ordinary activities	<u>(83,763)</u>	<u>-</u>

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

7 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2006 - higher than) the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 £	2006 £
Profit/loss on ordinary activities before tax	67,703	(60,814)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 19%)	20,311	(11,555)
Effects of:		
Expenses not deductible for tax purposes	510	11,666
Income not taxable	(46)	-
Group relief surrender	(20,775)	(111)
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

There are no factors that may affect future tax charges

8. Fixed asset investments

	Shares in group under- takings £	Loans to group under- takings £	Total £
Cost or valuation			
At 1 January 2007 and 31 December 2007	1,927,100	53,726	1,980,826
Impairment			
At 1 January 2007 and 31 December 2007	7,675	53,726	61,401
Net book value			
At 31 December 2007	1,919,425	-	1,919,425
At 31 December 2006	1,919,425	-	1,919,425

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

8. Fixed asset investments (continued)

Subsidiary undertakings

The following were principal subsidiary undertakings of the company all of which are incorporated in England & Wales

Name

Craftec Paper Limited - Ordinary shares of £1	100%
Papergraphics Limited - Ordinary shares of £1	100%

The aggregate of the share capital and reserves as at 31 December 2007 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Capital and reserves 2007 £	Profit for the year £
Craftec Paper Limited - Paper conversion	371,610	67,249
Papergraphics Limited - Supply of specialty paper	1,490,284	229,978

9. Debtors

	2007 £	2006 £
Amounts owed by group undertakings	2,242	3,817
Directors' loan	31,408	-
Other debtors	5,065	2,258
Deferred tax asset (see note 12)	83,763	-
	<u>122,478</u>	<u>6,075</u>

10 Creditors: Amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	214	1
Trade creditors	-	14,029
Amounts owed to group undertakings	2,143,447	2,065,210
Social security and other taxes	19,099	23,261
Other creditors	-	33,666
Accruals and deferred income	46,357	25,795
	<u>2,209,117</u>	<u>2,161,962</u>

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

11 Creditors' Amounts falling due after more than one year

	2007 £	2006 £
Director's loans	-	82,218

12 Deferred taxation

	2007 £	2006 £
At 1 January 2007	-	-
Released during the year	83,763	-

The deferred taxation balance is made up as follows

	2007 £	2006 £
Tax losses carried forward	83,763	-

13. Share capital

	2007 £	2006 £
Authorised		
995,000 Ordinary shares of £1 each	995,000	995,000
5,000 Non-voting ordinary shares of £1 each	5,000	5,000
500,000 Redeemable preference shares of £1 each	500,000	500,000
	<u>1,500,000</u>	<u>1,500,000</u>
Allotted, called up and fully paid		
40,358 Ordinary shares of £1 each	40,358	40,358
2,500 Non-voting ordinary shares of £1 each	2,500	2,500
	<u>42,858</u>	<u>42,858</u>

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

14. Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 January 2007	3,000	9,642	(374,179)
Profit for the year	-	-	151,466
At 31 December 2007	<u>3,000</u>	<u>9,642</u>	<u>(222,713)</u>

15. Reconciliation of movement in shareholders' deficit

	2007 £	2006 £
Opening shareholders' deficit	(318,679)	(257,865)
Profit/(loss) for the year	<u>151,466</u>	<u>(60,814)</u>
Closing shareholders' deficit	<u>(167,213)</u>	<u>(318,679)</u>

16. Net cash flow from operations

	2007 £	2006 £
Operating profit	67,853	8,980
(Increase)/decrease in debtors	(32,640)	925
Increase in creditors	46,942	80,663
Net cash inflow from operations	<u>82,155</u>	<u>90,568</u>

17. Analysis of cash flows for headings netted in cash flow statement

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest paid	<u>(150)</u>	<u>(8,393)</u>
Financing		
Repayment of other loans	<u>(82,218)</u>	<u>(82,176)</u>

DIVA EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

18 Analysis of changes in net debt

	1 January 2007 £	Cash flow £	Other non-cash changes £	31 December 2007 £
Cash at bank and in hand	1	-	-	1
Bank overdraft	(1)	(213)	-	(214)
	-	(213)	-	(213)
Debt:				
Debts due within one year	-	82,218	(82,218)	-
Debts falling due after more than one year	(82,218)	-	82,218	-
Net debt	(82,218)	82,005	-	(213)

19. Pension costs

Defined contribution

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.