

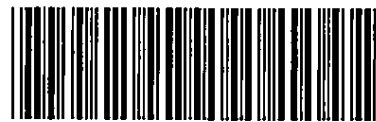
# **Diva Europe Limited**

Company Registration No: 2499521

## **Abbreviated accounts**

**For the year ended 31 December 2008**

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# **DIVA EUROPE LIMITED**

## **COMPANY INFORMATION**

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

# **DIVA EUROPE LIMITED**

## **CONTENTS**

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|                                          | Page   |
|------------------------------------------|--------|
| <b>Directors' report</b>                 | 1 - 2  |
| <b>Independent auditors' report</b>      | 3      |
| <b>Profit and loss account</b>           | 4      |
| <b>Balance sheet</b>                     | 5      |
| <b>Cash flow statement</b>               | 6      |
| <b>Notes to the abbreviated accounts</b> | 7 - 13 |

# **DIVA EUROPE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

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The directors present their report and the financial statements for the year ended 31 December 2008.

### **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 speciality technology papers.

### **Business review**

During the year, the company continued with its business of being a holding company and incurring expenditure on behalf of its subsidiaries and making subsequent charges for the provision of its services.

### **Results and dividends**

The profit for the year, after taxation, amounted to £161,297 (2007 - £151,466).

On 3 April 2008 the Directors proposed and paid a dividend of £1.73 per Ordinary £1 share in issue totalling £70,000.

### **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 2008**

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### **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**

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27/10/09

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**

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We have examined the abbreviated accounts of Diva Europe Limited for the year ended 31 December 2008 set out on pages 4 to 13, together with the financial statements of the company for the year ended 31 December 2008 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 13 have been properly prepared in accordance with that provision.

*Mazars LLP*

### **Mazars LLP**

Chartered Accountants &  
Registered Auditors

37 Frederick Place  
Brighton  
BN1 4EA

Date: *28 October 2009*

## DIVA EUROPE LIMITED

### ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

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|                                                      | Note     | 2008<br>£      | 2007<br>£      |
|------------------------------------------------------|----------|----------------|----------------|
| <b>Gross profit</b>                                  | <b>2</b> | 320,884        | 382,710        |
| Administrative expenses                              |          | (709,457)      | (314,857)      |
|                                                      |          | <hr/>          | <hr/>          |
| <b>Operating (loss)/profit</b>                       | <b>2</b> | (388,573)      | 67,853         |
| Dividends received from fixed asset investments      |          | 550,000        | -              |
| Interest payable                                     | <b>5</b> | (130)          | (150)          |
|                                                      |          | <hr/>          | <hr/>          |
| <b>Profit on ordinary activities before taxation</b> |          | 161,297        | 67,703         |
| Tax on profit on ordinary activities                 | <b>6</b> | -              | 83,763         |
|                                                      |          | <hr/>          | <hr/>          |
| <b>Profit for the financial year</b>                 |          | <u>161,297</u> | <u>151,466</u> |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.

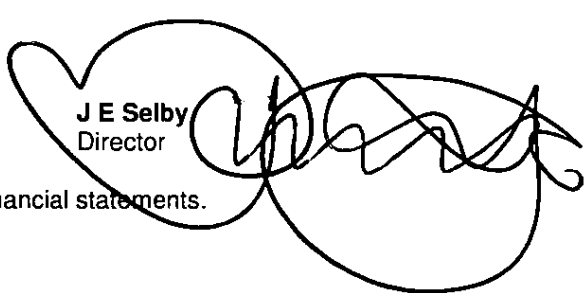
# DIVA EUROPE LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2008

|                                                       | Note | £                  | 2008<br>£          | £                  | 2007<br>£          |
|-------------------------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |      |                    |                    |                    |                    |
| Fixed asset investments                               | 8    |                    | 1,919,425          |                    | 1,919,425          |
| <b>Current assets</b>                                 |      |                    |                    |                    |                    |
| Debtors                                               | 9    | 432,041            |                    | 366,254            |                    |
| Cash in hand                                          |      | 1                  |                    | 1                  |                    |
|                                                       |      | <u>432,042</u>     |                    | <u>366,255</u>     |                    |
| <b>Creditors: amounts falling due within one year</b> | 10   | <u>(2,427,383)</u> |                    | <u>(2,452,893)</u> |                    |
| <b>Net current liabilities</b>                        |      |                    | <u>(1,995,341)</u> |                    | <u>(2,086,638)</u> |
| <b>Total assets less current liabilities</b>          |      |                    | <u>(75,916)</u>    |                    | <u>(167,213)</u>   |
| <b>Capital and reserves</b>                           |      |                    |                    |                    |                    |
| Called up share capital                               | 12   |                    | 42,858             |                    | 42,858             |
| Share premium account                                 | 13   |                    | 3,000              |                    | 3,000              |
| Capital redemption reserve                            | 13   |                    | 9,642              |                    | 9,642              |
| Profit and loss account                               | 13   |                    | <u>(131,416)</u>   |                    | <u>(222,713)</u>   |
| <b>Shareholders' deficit</b>                          | 14   |                    | <u>(75,916)</u>    |                    | <u>(167,213)</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 27/10/09

  
N C Atkins  
Director

  
J E Selby  
Director

The notes on pages 7 to 13 form part of these financial statements.

# DIVA EUROPE LIMITED

## ABBREVIATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

|                                                 | Note | 2008<br>£      | 2007<br>£     |
|-------------------------------------------------|------|----------------|---------------|
| Net cash flow from operating activities         | 15   | (484,822)      | 82,155        |
| Returns on investments and servicing of finance | 16   | 549,870        | (150)         |
| Equity dividends paid                           |      | (70,000)       | -             |
| <b>Cash (outflow)/inflow before financing</b>   |      | <b>(4,952)</b> | <b>82,005</b> |
| Financing                                       | 16   | -              | (82,218)      |
| <b>Decrease in cash in the year</b>             |      | <b>(4,952)</b> | <b>(213)</b>  |

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 DECEMBER 2008

|                                                        | 2008<br>£      | 2007<br>£     |
|--------------------------------------------------------|----------------|---------------|
| Decrease in cash in the year                           | (4,952)        | (213)         |
| Cash outflow from decrease in debt and lease financing | -              | 82,218        |
| <b>Movement in net debt in the year</b>                | <b>(4,952)</b> | <b>82,005</b> |
| Net debt at 1 January 2008                             | (213)          | (82,218)      |
| <b>Net debt at 31 December 2008</b>                    | <b>(5,165)</b> | <b>(213)</b>  |

The notes on pages 7 to 13 form part of these financial statements.

# **DIVA EUROPE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

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### **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 2008

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#### 2. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

|                        | 2008<br>£ | 2007<br>£ |
|------------------------|-----------|-----------|
| Auditors' remuneration | 2,500     | 2,500     |

#### 3. Staff costs

Staff costs, including directors' remuneration, were as follows:

|                       | 2008<br>£ | 2007<br>£ |
|-----------------------|-----------|-----------|
| Wages and salaries    | 593,946   | 269,427   |
| Social security costs | 76,761    | 25,384    |
| Other pension costs   | 1,443     | 1,443     |
|                       | 672,150   | 296,254   |

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

|                                      | 2008<br>No. | 2007<br>No. |
|--------------------------------------|-------------|-------------|
| Administration (including directors) | 5           | 5           |

#### 4. Directors' emoluments

|                                                                 | 2008<br>£ | 2007<br>£ |
|-----------------------------------------------------------------|-----------|-----------|
| Emoluments                                                      | 519,372   | 189,419   |
| Company pension contributions to money purchase pension schemes | 1,443     | 1,443     |

During the year retirement benefits were accruing to 1 director (2007 - 1) in respect of money purchase pension schemes.

The highest paid Director received remuneration of £381,298 (2007 - £50,000).

# DIVA EUROPE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 5. Interest payable

|                              | 2008<br>£  | 2007<br>£  |
|------------------------------|------------|------------|
| On bank loans and overdrafts | 130        | 41         |
| Other interest               | -          | 109        |
|                              | <u>130</u> | <u>150</u> |

### 6. Taxation

|                                                  | 2008<br>£ | 2007<br>£       |
|--------------------------------------------------|-----------|-----------------|
| <b>Analysis of tax charge in the year</b>        |           |                 |
| <b>Current tax</b> (see note below)              |           |                 |
| UK corporation tax charge on profit for the year | -         | -               |
| <b>Deferred tax</b> (see note 11)                |           |                 |
| Tax losses carried forward                       | -         | (83,763)        |
|                                                  | <u>-</u>  | <u>(83,763)</u> |
| <b>Tax on profit on ordinary activities</b>      | <u>-</u>  | <u>(83,763)</u> |

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2007 - lower than) the standard rate of corporation tax in the UK (30%). The differences are explained below:

|                                                                                                            | 2008<br>£      | 2007<br>£     |
|------------------------------------------------------------------------------------------------------------|----------------|---------------|
| Profit on ordinary activities before tax                                                                   | <u>161,297</u> | <u>67,703</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007 - 30%) | 45,163         | 20,311        |
| <b>Effects of:</b>                                                                                         |                |               |
| Expenses not deductible for tax purposes                                                                   | 5,949          | 510           |
| Income not taxable                                                                                         | (154,000)      | (46)          |
| Group relief surrender                                                                                     | 102,888        | (20,775)      |
|                                                                                                            | <u>-</u>       | <u>-</u>      |
| <b>Current tax charge for the year</b> (see note above)                                                    | <u>-</u>       | <u>-</u>      |

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# DIVA EUROPE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 7. Dividends

|                                  | 2008<br>£ | 2007<br>£ |
|----------------------------------|-----------|-----------|
| Dividends paid on equity capital | 70,000    | -         |

On 3 April 2008 the directors proposed and paid a dividend of £1.73 per Ordinary £1 share in issue totalling £70,000.

### 8. Fixed asset investments

|                                        | Shares in<br>group under-<br>takings<br>£ | Loans to<br>group under-<br>takings<br>£ | Total<br>£ |
|----------------------------------------|-------------------------------------------|------------------------------------------|------------|
| <b>Cost or valuation</b>               |                                           |                                          |            |
| At 1 January 2008 and 31 December 2008 | 1,927,100                                 | 53,726                                   | 1,980,826  |
| <b>Impairment</b>                      |                                           |                                          |            |
| At 1 January 2008 and 31 December 2008 | 7,675                                     | 53,726                                   | 61,401     |
| <b>Net book value</b>                  |                                           |                                          |            |
| At 31 December 2008                    | 1,919,425                                 | -                                        | 1,919,425  |
| At 31 December 2007                    | 1,919,425                                 | -                                        | 1,919,425  |

#### Subsidiary undertakings

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

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

The aggregate of the share capital and reserves as at 31 December 2008 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| Name                                               | Capital and<br>reserves 2008<br>£ | Profit for the<br>year<br>£ |
|----------------------------------------------------|-----------------------------------|-----------------------------|
| Craftec Paper Limited - Paper conversion           | 405,703                           | 49,107                      |
| Papergraphics Limited - Supply of speciality paper | 1,385,818                         | 445,534                     |

A full list of subsidiary undertakings is available on request from the company's registered office.

# DIVA EUROPE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 9. Debtors

|                                    | 2008<br>£      | 2007<br>£      |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | 2,242          | 2,242          |
| Amounts owed by related parties    | 96,741         | -              |
| Director's loan                    | 243,777        | 31,408         |
| Other debtors                      | 5,518          | 248,841        |
| Deferred tax asset (see note 11)   | 83,763         | 83,763         |
|                                    | <u>432,041</u> | <u>366,254</u> |

Included within debtors due within one year is a loan to J E Selby, a Director, amounting to £nil (2007 - £31,408). The maximum amount outstanding during the year was £195,466.

### 10. Creditors: Amounts falling due within one year

|                                    | 2008<br>£        | 2007<br>£        |
|------------------------------------|------------------|------------------|
| Bank loans and overdrafts          | 5,166            | 214              |
| Trade creditors                    | 10,124           | -                |
| Amounts owed to group undertakings | 1,921,949        | 2,143,447        |
| Social security and other taxes    | 219,486          | 19,099           |
| Other creditors                    | 248,089          | 243,777          |
| Accruals and deferred income       | 22,569           | 46,356           |
|                                    | <u>2,427,383</u> | <u>2,452,893</u> |

### 11. Deferred tax asset

|                      | 2008<br>£     | 2007<br>£     |
|----------------------|---------------|---------------|
| At beginning of year | 83,763        | -             |
| Released during year | -             | 83,763        |
|                      | <u>83,763</u> | <u>83,763</u> |

The deferred tax asset is made up as follows:

|                            | 2008<br>£     | 2007<br>£     |
|----------------------------|---------------|---------------|
| Tax losses carried forward | <u>83,763</u> | <u>83,763</u> |

# DIVA EUROPE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 12. Share capital

|                                                 | 2008<br>£        | 2007<br>£        |
|-------------------------------------------------|------------------|------------------|
| <b>Authorised</b>                               |                  |                  |
| 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> |
| <b>Allotted, called up and fully paid</b>       |                  |                  |
| 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>    |

### 13. Reserves

|                           | Share<br>premium<br>account<br>£ | Capital<br>redemption<br>reserve<br>£ | Profit and<br>loss account<br>£ |
|---------------------------|----------------------------------|---------------------------------------|---------------------------------|
| At 1 January 2008         | 3,000                            | 9,642                                 | (222,713)                       |
| Profit for the year       | -                                | -                                     | 161,297                         |
| Dividends: Equity capital | -                                | -                                     | (70,000)                        |
|                           | <u>3,000</u>                     | <u>9,642</u>                          | <u>(131,416)</u>                |
| At 31 December 2008       | 3,000                            | 9,642                                 | (131,416)                       |

### 14. Reconciliation of movement in shareholders' deficit

|                               | 2008<br>£       | 2007<br>£        |
|-------------------------------|-----------------|------------------|
| Opening shareholders' deficit | (167,213)       | (318,679)        |
| Profit for the year           | 161,297         | 151,466          |
| Dividends (Note 7)            | (70,000)        | -                |
|                               | <u>(75,916)</u> | <u>(167,213)</u> |
| Closing shareholders' deficit | (75,916)        | (167,213)        |

# DIVA EUROPE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 15. Net cash flow from operations

|                                                  | 2008<br>£        | 2007<br>£     |
|--------------------------------------------------|------------------|---------------|
| Operating (loss)/profit                          | (388,573)        | 67,853        |
| Decrease/(increase) in debtors                   | 30,954           | (32,640)      |
| Increase in amounts owed by associates           | (96,741)         | -             |
| (Decrease)/increase in creditors                 | (30,462)         | 46,942        |
| <b>Net cash (outflow)/inflow from operations</b> | <b>(484,822)</b> | <b>82,155</b> |

### 16. Analysis of cash flows for headings netted in cash flow statement

|                                                                                       | 2008<br>£         | 2007<br>£         |
|---------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>Returns on investments and servicing of finance</b>                                |                   |                   |
| Interest paid                                                                         | (130)             | (150)             |
| Dividends received                                                                    | 550,000           | -                 |
| <b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b> | <b>549,870</b>    | <b>(150)</b>      |
|                                                                                       | <b>2008<br/>£</b> | <b>2007<br/>£</b> |
| <b>Financing</b>                                                                      |                   |                   |
| Repayment of other loans                                                              | -                 | (82,218)          |

### 17. Analysis of changes in net debt

|                           | 1 January<br>2008<br>£ | Cash flow<br>£ | Other<br>non-cash<br>changes<br>£ | 31<br>December<br>2008<br>£ |
|---------------------------|------------------------|----------------|-----------------------------------|-----------------------------|
| Cash at bank and in hand: | 1                      | -              | -                                 | 1                           |
| Bank overdraft            | (214)                  | (4,952)        | -                                 | (5,166)                     |
| <b>Net debt</b>           | <b>(213)</b>           | <b>(4,952)</b> | <b>-</b>                          | <b>(5,165)</b>              |

### 18. 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.