
INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

COMPANY INFORMATION

Directors	P J Crean L T Salmon J E C Walters
Company secretary	R J Cahill
Registered number	02384773
Registered office	Lower Ground Floor Park House 16/18 Finsbury Circus London EC2M 7EB
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HV

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

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INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the audited financial statements for the year ended 30 June 2023.

Results

The profit for the year, after taxation, amounted to £Nil (30 June 2022 - £Nil). The net asset position as at the end of the year is £1 (30 June 2022 - £1 net liabilities).

Principal activity

The operations of the company have been transferred to other business units of Paragon Customer Communications group and the company is effectively dormant.

Directors

The directors who served during the year were:

P J Crean
L T Salmon
J E C Walters

Going concern

The Directors have performed an assessment of going concern, including receiving written support provided from its parent company (PCC Global Plc - "The PCC Global Group"). The PCC Global Group have performed an assessment of going concern, including a review of the Group's current cash position, available banking facilities and financial forecasts for 2024 and until the end of March 2025, including the ability to adhere to banking covenants. In doing so the Directors have considered the uncertain nature of the current micro economy, current trading trends in our four divisions and extensive actions already undertaken to protect profitability and conserve cash.

Financial Forecasts

Four scenarios were considered for the PCC Global Group in preparing our going concern assessment, being a management case showing 2024 and the first quarter of 2025 in line with expectations and three other downside scenarios, and using one scenario which is severe but plausible assumptions to the management base case. The management case which is built up from detailed projections for each of the PCC Global Group's businesses and markets includes the following key assumptions:

- Our management case anticipates that volume would be steady for the remainder of 2024 and into the first quarter of 2025;
- The downside case factors in a reduction in variable costs to align the costs with the lower volumes such as reducing repairs and maintenance costs; The downside case included further reductions of 10%, 15% and 21% in turnover across the four divisions for 2024 and into the first quarter of 2025 to reflect a scenario of a deeper economic impact, region specific lockdowns in the UK and a slower recovery over the course of next year. Those projections showed that the PCC Global Group will continue to operate viably over that period.
- Additional measures are available to management such as reductions in support costs to reflect the impact of the extensive cost reduction initiatives implemented by PCC Global Group including the implementation of a recruitment freeze, deferral of executive bonuses and graduated salary reductions for support staff across the business;
- And, should any of the downside cases occur, management are confident that positive action could be taken to mitigate this position, and prevent any breach of covenants, such as: implementation of cost savings, restructuring and cash management.

Outcome of assessment

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Overall the PCC Global Group has remained profitable at the underlying EBITDA level, for the first seven months of the 2024 financial year. While the PCC Global Group is behind budget post year end due to operational reasons, management have taken positive action to ensure the PCC Global Group is on track to meet its covenants. The Directors are confident that the PCC Global Group is now well positioned to manage its business risks and have considered a number of factors including current trading performance, the outcomes of comprehensive forecasting, a range of possible future trading impacts, mitigating actions available to management and existing liquidity.

Having received written support from PCC Global Plc, the Directors are of the view that there is a reasonable expectations that the Group has adequate resources to continue in operational existence for the next 12 months following the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis for preparing the financial statements, and there are no material uncertainties that the Directors are aware of in relation to this.

Key performance indicators

Innovative Output Solutions (Manchester) Limited is managed by the directors in accordance with the strategies of its parent company, Paragon Customer Communications Limited (the "group"). For this reason, the directors believe that further key performance indicators for the company are not necessary or appropriate to understand the development, performance or position of the business. These strategies and key performance indicators are discussed in the group strategic report of the company's parent which does not form part of this report.

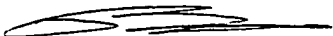
Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Paragon Customer Communications Limited, which include those of the company, are discussed in Paragon Customer Communications Limited's group strategic report.

Directors' qualifying third party indemnity provisions

Paragon Customer Communications Limited maintains liability insurance for the directors of Innovative Output Solutions (Manchester) Limited. For the purposes of the Companies Act 2006, Paragon Customer Communications Limited provides indemnity insurance for the directors and company secretary of Innovative Output Solutions (Manchester) Limited for qualifying third party provisions. The indemnity insurance was in place for the whole period and up to the date the financial statements were approved.

This report was approved by the board and signed on its behalf.



J E C Walters
Director

Date: 28/03/2024

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

Note

Profit for the financial year

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 7 to 11 form part of these financial statements.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED
REGISTERED NUMBER: 02384773

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Total assets less current liabilities		-	-
Net assets		-	-
Capital and reserves			
Called up share capital	4	1	1
Profit and loss account		(1)	(1)
		-	-

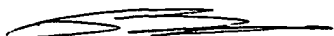
For the year ended 30 June 2023 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



J E C Walters
Director

Date: 28/03/2024

The notes on pages 7 to 11 form part of these financial statements.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-

The notes on pages 7 to 11 form part of these financial statements.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2021	85,000	81,000	(486,179)	(320,179)
Other movement type 1	(84,999)	(81,000)	486,178	320,179
Other comprehensive income for the year	(84,999)	(81,000)	486,178	320,179
Total comprehensive income for the year	(84,999)	(81,000)	486,178	320,179
Total transactions with owners	-	-	-	-
At 30 June 2022	1	-	(1)	-

The notes on pages 7 to 11 form part of these financial statements.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. General information

Innovative Output Solutions (Manchester) Limited is a private limited company, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given in the company information page. The nature of the company's operations and its principal activities are given in the director's report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Paragon Customer Communications Limited as at 30 June 2022 and these financial statements may be obtained from Park House, 16/18 Finsbury Circus, London, EC2M 7EB.

2.3 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.4 Consolidation

The company is a wholly unowned subsidiary of Paragon Customer Communications Limited, a company incorporated in England and Wales. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the company and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Paragon Customer Communications Limited.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.5 Going concern

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INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairments.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Merger reserve contains the nominal value of own shares that have been acquired by the company and cancelled.
- The profit and loss account represents cumulative profit and losses, net of dividends paid and other adjustments.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's fixed asset investments. Factors taken into consideration in reaching such decisions include the economic viability and expected future financial performance of the asset.

4. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1 (2022 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

5. Related party transactions

The company has taken advantage of the exemption, under FRS 102, Section 33.1(a), from disclosing related party transactions as they are all with other companies that are wholly owned by Paragon Customer Communications Limited.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6. Controlling party

The immediate parent undertaking is dsicmm Group Limited, a company incorporated in England and Wales.

Paragon Customer Communications Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Paragon Customer Communications Limited can be obtained from Lower Ground, Park House, 16/18 Finsbury Circus, London, EC2M 7EB.

The ultimate parent undertaking and controlling party is Paragon Group Limited, a company incorporated in England and Wales. PCC Global PLC (formerly Grenadier (UK) Limited), a wholly owned subsidiary of Paragon Group Limited is the immediate parent undertaking of Paragon Customer Communications Limited.