

**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2019**

TUESDAY



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<b>PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED</b>
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**COMPANY INFORMATION**

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<b>Directors</b>	A J Plummer R J Oliver P J Crean (appointed 9 July 2018) L T Salmon (appointed 9 July 2018) J E C Walters (appointed 9 July 2018)
<b>Company secretary</b>	R J Cahill
<b>Registered number</b>	01626027
<b>Registered office</b>	Lower Ground Floor Park House 16/18 Finsbury Circus London EC2M 7EB
<b>Independent auditors</b>	Grant Thornton UK LLP Chartered Accountants and Statutory Auditors 30 Finsbury Square London EC2A 1AG
<b>Bankers</b>	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN

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<b>PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED</b>
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<b>PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED</b>
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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

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**Principal activities**

The company's principal activities continue to be that of printing and enclosing of communication mail.

**Business review**

The results for the company for the year show a loss before taxation of £0.8m (6 months period ended 30 June 2018 - £0.2m) and turnover of £14.6m (6 months period ended 30 June 2018 - £7.0m). The directors have not proposed or paid a dividend in the current year (6 months period ended 30 June 2018 - £Nil). The net assets position as at the end of the year is £1.4m (30 June 2018 - £2.2m).

The company was acquired by Paragon Customer Communications Limited on 5th July 2018 and subsequently changed its name to Paragon Customer Communications (Redruth) Limited.

**Key performance indicators**

Paragon Customer Communications (Redruth) Limited is a wholly owned subsidiary of Paragon Customer Communications Limited (the "group"). Paragon Customer Communications (Redruth) Limited is managed by the directors in accordance with the strategies of its parent company, Paragon Customer Communications Limited. 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

**Strategy and future developments**

The company will continue to focus on the implementation of a strong and stable platform to focus on its strategy of being a business partner to its customers by working alongside them to deliver cost effective and efficient client communication platforms and solutions.

Future developments will include the extension of the service offering of Paragon Customer Communications Limited to include greater presence in the analysis and processing of data which in turn drives multichannel communication. Also considered of great importance is to develop new communication management solutions, which will meet the growing customer requirement in the UK for the manufacturers of output to be able to offer alternative solutions to traditional print management companies.

**Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Paragon Customer Communications 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.

**Environmental matters**

The company recognises the importance of their environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. The company operates in accordance with ISO 14001 and is FSC accredited. Initiatives aimed at minimising the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019**

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**Coronavirus risk**

Further to the recent global outbreak of Coronavirus disease (COVID-19), the directors of the [Company / Group] continue to assess the situation across key markets and the potential risk to the operation of the business daily. At the time of signing of these accounts, there has been no unmanageable impact on either the Revenue, Customers or Employees within the Company.

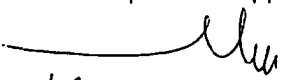
The directors have taken all necessary measures as advised by the NHS, WHO, the UK government and equivalent local authorities across our offices, including promoting hygiene standards and providing facilities to enable this; and firmly insisting all employees to working from home where possible.

The Paragon Group and the Company have vital activities within the communication and financial sectors and was consequently given the "key worker status" during this outbreak. Both feel reasonably confident that they will retain a sufficient level of trading activity to sustain the business during the crisis.

The directors do not consider, at the date of signing of the financial statements, there to be a threat to the overall business in the case of outbreak-related closures and lockdowns due to the above and the Company (via the support offered by the overall Paragon Group) having access to sufficient working capital.

The directors believe that appropriate strategies have been, and are being further developed, to ensure the Company can reduce and manage the possible impacts of adverse developments which could affect the Company's ability to continue trading.

This report was approved by the board on 31 March 2020 and signed on its behalf.

  
L T Salmon  
Director

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

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The directors present their report and the financial statements for the year ended 30 June 2019.

**Results and dividends**

The loss for the year, after taxation, amounted to £0.8m (*6 months period ended 30 June 2018 - £0.2m loss*).

Dividends are disclosed in the strategic report.

**Directors**

The directors who served during the year were:

A J Plummer  
R J Oliver  
P J Crean (appointed 9 July 2018)  
L T Salmon (appointed 9 July 2018)  
J E C Walters (appointed 9 July 2018)

**Going concern**

The Directors have reviewed the company's budgets and forecasts for the next 12 months from the date of this report, its liquid resources (including support available from its ultimate parent company), medium term plans, and the potential impact of the recent outbreak of the Coronavirus disease. The Paragon Group have also performed a downside scenario analysis which, while considered highly unlikely, demonstrates that the Group will have sufficient cash resources for a period of at least one year, even in the event of prolong lock down period of around 3 – 6 months, should that be mandated by Governments in the major countries they operate in. Given the fact that the Group has vital activities within the communication and financial sectors and was consequently given the "key worker status" during this outbreak, the Group feel confident that the support outlined by the various governments, such as tax deferral schemes and state aid/loan guarantee schemes can also be utilised, to assist in keeping its trading activities running at a sustainable level. The above statement do not protect the business from events that are out of its control and could potentially deeply change the outcome of its future activities. Nonetheless, the Directors have, at the date of signing of the accounts, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019**

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**Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of currency risk, credit risk, liquidity risk and interest rate cash flow risk. The company has in place a financial risk management program that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of trade debtors, creditors and in particular those relating to overseas suppliers and customers. The company does not use derivative financial instruments to manage currency risk exposure and as such, no hedge accounting is applied.

**Price risk**

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of continually managing exposure to commodity price risk exceeds any significant potential benefit. The risk is mitigated due to the ongoing centralisation of the company procurement team and also certain inputs being rechargeable directly to clients. The directors of the company will revisit the appropriateness of this policy should the company's operations change in size and nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

**Foreign currency risk**

The majority of the company's customers and suppliers are in the United Kingdom. The foreign currency exposure arising from the small proportion of foreign currency customers and suppliers is deemed low risk by the directors. The directors of the company will revisit the appropriateness of this policy should the company's operations change in size or nature.

**Credit risk**

The company is exposed to customer credit risk through continuing uncertainty in the economy. The company has implemented policies that require appropriate credit checks on potential customers before work is undertaken. Additionally any significant increases in activity on existing clients will result in a reassessment of their credit risk.

**Liquidity risk**

The company has access to funding from other group companies sufficient to ensure the company has sufficient available funds for operations and planned expansions.

**Interest rate risks**

The company has no interest bearing assets and liabilities. All intercompany liabilities are interest free and currently deemed low risk. The directors will revisit the appropriateness of this policy should the market change significantly.

**Investment in new equipment**

To ensure that the company continues to deliver the quality and speed of service that our customers require, the company will continue to keep abreast and to invest in new technology to meet their requirements.

**Research and development activities**

The directors regard the investment in research and development as integral to the continuing success of the business and ensuring that it remains at the forefront of the industry.

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019**

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**Employee consultation**

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters that affect them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

**Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled people should, as far as possible, be identical to other employees.

**Statement of directors' responsibilities in respect of 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**Directors' qualifying third party indemnity provisions**

Paragon Customer Communications Limited maintains liability insurance for the directors of Paragon Customer Communications (Redruth) Limited. For the purposes of the Companies Act 2006, Paragon Customer Communications Limited provides indemnity insurance for the directors and company secretary of Paragon Customer Communications (Redruth) 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.



**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2019**

**Disclosure 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

To the best of our knowledge:


- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

**Auditors**

Grant Thornton UK LLP was appointed as auditor for the year ended 30 June 2019.

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

This report was approved by the board on 31 March 2020 and signed on its behalf.

  
L T Salmon  
Director

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARAGON CUSTOMER COMMUNICATIONS  
(REDRUTH) LIMITED**

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**Opinion**

We have audited the financial statements of Paragon Customer Communications (Redruth) Limited (the 'Company') for the year ended 30 June 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARAGON CUSTOMER COMMUNICATIONS  
(REDRUTH) LIMITED (CONTINUED)**

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- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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<b>PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED</b>
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED (CONTINUED)**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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 an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARAGON CUSTOMER COMMUNICATIONS  
(REDRUTH) LIMITED (CONTINUED)**

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**Use of our report**

This report is made solely to the Company's members 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 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 and the Company's members for our audit work, for this report, or for the opinions we have formed.



Paul Naylor  
Senior Statutory Auditor  
**for and on behalf of Grant Thornton UK LLP**  
Chartered Accountants and Statutory Auditors  
London

31 March 2020

**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019**

		Year ended 30 June 2019 000	6 months period ended 30 June 2018 £000
	Note		
Turnover	4	14,586	6,960
Cost of sales		(10,806)	(4,654)
<b>Gross profit</b>		<b>3,780</b>	<b>2,306</b>
Distribution costs		(5)	(4)
Administrative expenses		(4,606)	(2,519)
<b>Operating loss</b>	5	<b>(831)</b>	<b>(217)</b>
Interest receivable and similar income	8	-	31
Interest payable and expenses	9	(11)	(12)
<b>Loss before tax</b>		<b>(842)</b>	<b>(198)</b>
Tax on loss	10	-	(1)
<b>Loss for the financial year</b>		<b>(842)</b>	<b>(199)</b>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

All amounts relate to continuing operations.

The notes on pages 15 to 31 form part of these financial statements.

**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**  
**REGISTERED NUMBER: 01626027**


**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Intangible assets	11	223	21
Tangible assets	12	360	990
		<u>583</u>	<u>1,011</u>
<b>Current assets</b>			
Stocks	13	208	148
Debtors: amounts falling due within one year	14	3,704	2,837
Cash at bank and in hand	15	1	1,273
		<u>3,913</u>	<u>4,258</u>
Creditors: amounts falling due within one year	16	(1,897)	(2,928)
<b>Net current assets</b>		<u>2,016</u>	<u>1,330</u>
<b>Total assets less current liabilities</b>		<u>2,599</u>	<u>2,341</u>
Creditors: amounts falling due after more than one year	17	(1,209)	(140)
<b>Provisions for liabilities</b>			
Other provisions	19	(31)	-
		<u>(31)</u>	<u>-</u>
<b>Net assets</b>		<u><u>1,359</u></u>	<u><u>2,201</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	650	650
Share premium account		5,662	5,662
Capital redemption reserve		50	50
Other reserves		1,689	1,689
Profit and loss account		(6,692)	(5,850)
		<u><u>1,359</u></u>	<u><u>2,201</u></u>

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

**L T Salmon**

Director

Date: 31 March 2020  *L T Salmon*

The notes on pages 15 to 31 form part of these financial statements.

**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 July 2018	650	5,662	50	1,689	(5,850)	2,201
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(842)	(842)
<b>Other comprehensive income for the year</b>						
	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	(842)	(842)
<b>Total transactions with owners</b>	-	-	-	-	-	-
<b>At 30 June 2019</b>	<b>650</b>	<b>5,662</b>	<b>50</b>	<b>1,689</b>	<b>(6,692)</b>	<b>1,359</b>

The notes on pages 15 to 31 form part of these financial statements.



**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2018	650	5,662	50	1,689	(5,651)	2,400
<b>Comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(199)	(199)
<b>Other comprehensive income for the period</b>						
	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	(199)	(199)
<b>Total transactions with owners</b>	-	-	-	-	-	-
<b>At 30 June 2018</b>	<b>650</b>	<b>5,662</b>	<b>50</b>	<b>1,689</b>	<b>(5,850)</b>	<b>2,201</b>

The notes on pages 15 to 31 form part of these financial statements.

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**1. General information**

Paragon Customer Communications (Redruth) Limited is a private limited company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic 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 (see note 3).

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 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 26 Share based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- 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 2019 and these financial statements may be obtained from Lower Ground Floor, Park House, 16/18 Finsbury Circus, London, EC2M 7EB.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**2. Accounting policies (continued)**

**2.3 Going concern**

The Directors have reviewed the company's budgets and forecasts for the next 12 months from the date of this report, its liquid resources (including support available from its ultimate parent company), medium term plans, and the potential impact of the recent outbreak of the Coronavirus disease. The Paragon Group have also performed a downside scenario analysis which, while considered highly unlikely, demonstrates that the Group will have sufficient cash resources for a period of at least one year, even in the event of prolong lock down period of around 3 – 6 months, should that be mandated by Governments in the major countries they operate in. Given the fact that the Group has vital activities within the communication and financial sectors and was consequently given the "key worker status" during this outbreak, the Group feel confident that the support outlined by the various governments, such as tax deferral schemes and state aid/loan guarantee schemes can also be utilised, to assist in keeping its trading activities running at a sustainable level. The above statement do not protect the business from events that are out of its control and could potentially deeply change the outcome of its future activities. Nonetheless, the Directors have, at the date of signing of the accounts, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

**2.4 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and discounts.

**Print mail**

Turnover is recognised based upon the number of packages or items printed and delivered to or mailed on behalf of clients at the point of dispatch.

**Services**

Development and consulting services are provided on a time and material basis. The revenue is recognised as the service provided. Turnover provided under a fixed price contract is recognised on a percentage of completion basis.

**2.5 Computer Software**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software are considered to have a finite useful life of three years and amortised over this period. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**2. Accounting policies (continued)**

**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- over the period of the lease
Plant and machinery	- 4 - 7 years
Fixtures and fittings	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.7 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**2.8 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.9 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**2. Accounting policies (continued)**

**2.10 Taxation**

Tax is recognised in the Statement of Comprehensive Income, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.11 Stocks and work in progress**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Any provision for impairment of trade debtors is established where there is evidence that the company will not be able to collect all amounts due. The provision is determined by reference to previous experience of collectability relevant to the specific customer.

**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**2. Accounting policies (continued)**

**2.14 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.

**2.15 Provisions**

Provisions are recognised where the company is deemed to have a legal or constructive obligation, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

Provisions for dilapidations represent the estimated cost of repairs required under all current property rentals prior to the end of the lease term.

The provision recognised represents the least cost of exiting by contract offset by any benefits expected to be received under it.

**2.16 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

**2.17 Deferred income on contracts**

Deferred income represents items billed in advance for periods of up to 12 months or items which do not yet fulfil the turnover recognition criteria.

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**2. Accounting policies (continued)**

**2.18 Impairment**

The company performs impairment reviews in respect of both tangible and intangible fixed assets where events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised when the receivable amount of an asset, which is the higher of the net realisable value and its value in use, is less than its carrying amount.

**2.19 Capital risk management**

Capital risk is monitored by the Paragon Customer Communications Limited group management. The group's objectives when managing capital are to safeguard its ability to continue as a going concern and maintain an optimal capital structure to minimise the cost of capital. This is undertaken through changes made to the underlying debt structures within the group and, where appropriate, issuing shares.

**2.20 Reserves**

The company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The capital redemption reserve represents the nominal values of shares repurchased by the company. This reserve is non-distributable.
- Other reserves is a non-distributable capital reserve.
- The profit and loss account represents cumulative profits or losses, net of any dividends and other adjustments.

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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

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

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 12)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Impairment of trade receivables (see note 14)

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.



**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**4. Turnover**

An analysis of turnover by class of business is as follows:

	Year ended 30 June 2019 £000	6 months period ended 30 June 2018 £000
Printmail	6,963	3,323
Service	7,623	3,637
	<u>14,586</u>	<u>6,960</u>

Analysis of turnover by country of destination:

	Year ended 30 June 2019 £000	6 months period ended 30 June 2018 £000
United Kingdom	14,474	6,772
Rest of Europe	112	188
	<u>14,586</u>	<u>6,960</u>

**5. Operating loss**

The operating loss is stated after charging:

	Year ended 30 June 2019 £000	6 months period ended 30 June 2018 £000
Depreciation	532	338
Amortisation	79	40
Auditor's remuneration	18	8
Operating lease expense - property	274	143
Operating lease expense - plant and machinery	149	79
	<u>1,152</u>	<u>608</u>

**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**6. Employees**

Staff costs were as follows:

	Year ended 30 June 2019 £000	6 months period ended 30 June 2018 £000
Wages and salaries	2,911	1,585
Social security costs	325	172
Cost of defined contribution scheme	131	72
	<u>3,367</u>	<u>1,829</u>

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

	Year ended 30 June 2019 No.	6 months period ended 30 June 2018 No.
Administration	37	26
Production, selling and distribution	50	72
	<u>87</u>	<u>98</u>

**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**7. Directors' remuneration**

The directors' remuneration for the period were as follows:

	Year ended 30 June 2019 £000	6 months period ended 30 June 2018 £000
Remuneration	269	125
Contributions paid to money purchase schemes	-	10
	<u>269</u>	<u>135</u>

During the period the number of directors who were receiving benefits and share incentives were as follows:

	Year ended 30 June 2019 £000	6 months period ended 30 June 2018 £000
Accruing benefits under money purchase pension scheme	-	2
	<u>-</u>	<u>2</u>

In respect of the highest paid director:

	Year ended 30 June 2019 £000	6 months period ended 30 June 2018 £000
Company contributions to money purchase pension schemes	-	4
Remuneration	163	73
	<u>163</u>	<u>73</u>

<b>PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**8. Interest receivable**

	Year ended 30 June 2019 £000	6 months period ended 30 June 2018 £000
Other interest receivable	-	31
	<u>-</u>	<u>31</u>
	<u>-</u>	<u>31</u>

**9. Interest payable and similar expenses**

	Year ended 30 June 2019 £000	6 months period ended 30 June 2018 £000
Bank interest payable	3	12
Finance leases and hire purchase contracts	8	-
	<u>11</u>	<u>12</u>
	<u>11</u>	<u>12</u>

**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**10. Taxation**

	<b>Year ended 30 June 2019 £000</b>	<i>6 months period ended 30 June 2018 £000</i>
<b>Corporation tax</b>		
Adjustments in respect of previous periods	-	(25)
	-	(25)
<b>Total current tax</b>	-	(25)
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	26
<b>Total deferred tax</b>	-	26
<b>Taxation on profit on ordinary activities</b>	-	1

**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	<b>Year ended 30 June 2019 £000</b>	<i>6 months period ended 30 June 2018 £000</i>
Loss on ordinary activities before tax	(842)	(198)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(160)	(38)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4	1
Deferred tax expense from unrecognised tax loss or credit	156	63
Decrease in UK and foreign current tax from adjustment for prior periods	-	(25)
<b>Total tax charge for the year/period</b>	-	1

**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**10. Taxation (continued)**

**Factors that may affect future tax charges**

Legislation has been enacted to reduce the main UK Corporation tax rate from 19% to 17% effective from 1 April 2020. The deferred tax balances have been re-measured at these rates as appropriate.

**11. Intangible assets**

	Computer software £000
<b>Cost</b>	
At 1 July 2018	202
Additions	51
Transfer between classes	977
Disposals	(237)
At 30 June 2019	993
<b>Amortisation</b>	
At 1 July 2018	181
Charge for the year	79
Transfer between classes	747
On disposals	(237)
At 30 June 2019	770
<b>Net book value</b>	
At 30 June 2019	223
At 30 June 2018	21

Tangible assets with a net book value of £230,000 were reclassified as intangible assets during the year.

**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**12. Tangible fixed assets**

	Short-term leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>				
At 1 July 2018	44	4,124	1,242	5,410
Additions	-	136	-	136
Disposals	-	(310)	-	(310)
Transfers between classes	63	202	(1,242)	(977)
At 30 June 2019	107	4,152	-	4,259
<b>Depreciation</b>				
At 1 July 2018	12	3,704	703	4,419
Charge for the year on owned assets	26	506	-	532
Disposals	-	(305)	-	(305)
Transfers between classes	62	(106)	(703)	(747)
At 30 June 2019	100	3,799	-	3,899
<b>Net book value</b>				
At 30 June 2019	7	353	-	360
At 30 June 2018	31	420	539	990

Tangible assets with a net book value of £230,000 were reclassified as intangible assets during the year.

**13. Stocks**

	2019 £000	2018 £000
Raw materials and consumables	170	148
Work in progress (goods to be sold)	38	-
	208	148

**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**14. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>2,912</b>	2,229
Amounts owed by group undertakings	<b>466</b>	-
Other debtors	<b>181</b>	70
Prepayments and accrued income	<b>145</b>	538
	<b>3,704</b>	2,837

**15. Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>1</b>	1,273
	<b>1</b>	1,273

**16. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>955</b>	1,588
Amounts owed to group undertakings	<b>7</b>	-
Other taxation and social security	<b>271</b>	270
Obligations under finance lease and hire purchase contracts	<b>63</b>	71
Other creditors	<b>28</b>	18
Accruals and deferred income	<b>573</b>	981
	<b>1,897</b>	2,928

Amounts owed to group undertakings are unsecured, repayable on demand and do not bear any interest.



**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**17. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Net obligations under finance leases and hire purchase contracts	<b>74</b>	<i>140</i>
Amounts owed to group undertakings	<b>1,135</b>	<i>-</i>
	<b>1,209</b>	<i>140</i>

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the balance sheet date.

**18. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Within one year	<b>71</b>	<i>79</i>
Between 1-5 years	<b>81</b>	<i>155</i>
	<b>152</b>	<i>234</i>
Less: Finance charges	<b>15</b>	<i>23</i>
<b>Carrying amount of liability</b>	<b>137</b>	<i>211</i>

**19. Provisions**

	<b>Dilapidation s £000</b>
At 1 July 2018	<i>-</i>
Charged to profit or loss	<b>31</b>
<b>At 30 June 2019</b>	<b>31</b>

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**PARAGON CUSTOMER COMMUNICATIONS (REDRUTH) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

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**20. Share capital**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Authorised, allotted, called up and fully paid</b>		
650,000 (2018 - 650,000) Ordinary shares of £1.00 each	<b>650</b>	<b>650</b>

**21. Pension commitments**

The company operates a defined contributions pension 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 scheme and amounted to £109,374 (6 months period ended 30 June 2018 - £72,725). Contributions totalling £7,278 (30 June 2018 - £18,000) were payable to the fund at the reporting date.

**22. Commitments under operating leases**

The Company had no commitments under the non-cancellable operating leases as at the reporting date (30 June 2018 - £Nil).

**23. Related party transactions**

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

**24. Ultimate parent undertaking and controlling party**

On 5 July 2018, the company became a wholly owned subsidiary of Paragon Customer Communications Limited, a company incorporated in England and Wales.

Paragon Customer Communications Limited is the parent undertaking of the smallest group undertakings to consolidate these financial statements. The consolidated financial statements of Paragon Customer Communications Limited can be obtained from Lower Ground Floor, 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 Limited (formerly Grenadier (UK) Limited), a wholly owned subsidiary of Paragon Group Limited is the immediate parent undertaking of Paragon Customer Communications Limited.

**25. Subsequent event**

The outbreak of the global coronavirus pandemic is considered to be a non adjusting post balance sheet event. The Board have considered, and continue to do so, the impact of the virus on the business and have included details in the strategic and directors reports. It is too early for the Board to quantify the potential financial impact on the company.