

Registered number: 04220397

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

COMPANY INFORMATION

Directors	P J Crean L T Salmon J E C Walters
Company secretary	R J Cahill
Registered number	04220397
Registered office	Lower Ground Floor Park House 16/18 Finsbury Circus London EC2M 7EB
Independent auditors	Grant Thornton UK LLP Chartered Accountants and Statutory Auditors 30 Finsbury Square London EC2A 1AG
Bankers	Lloyds Bank Plc 25 Gresham Street London E2CV 7HN

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

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PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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 profit before taxation of £9.9 million (30 June 2020 - £0.4 million) and turnover of £39.5 million (30 June 2020 - £38.0 million). The directors have not proposed or paid a dividend in the year (30 June 2020 - £Nil). The net assets position as at the end of the year is £35.0m (30 June 2020 - £24.8m).

The trading assets and operations of the company was hived out to Paragon Customer Communications (London) Limited on 30 June 2021 in line with the consolidation strategy of Paragon Group's operations.

Key performance indicators

Paragon Customer Communications (Bristol) Limited is a wholly owned subsidiary of Paragon Customer Communications Limited (the "group"). Paragon Customer Communications (Bristol) 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 remain dormant for the foreseeable future period as its assets and operations have been transferred to Paragon Customer Communications (London) Limited.

Section 172 statement

The Companies Act 2006 (CA2006) sets out a number of general duties which directors owe to the company. New legislation has been introduced to help shareholders better understand how directors have discharged their duty to promote the success of the company, while having regard to the matters set out in section 172(1)(a) to (f) of the CA2006 (s172 factors). In 2021 the directors continued to exercise all their duties, while having regard to these and other factors as they reviewed and considered proposals from senior management and governed the company.

The directors consider that the statement focuses on those risks and opportunities that were of strategic importance to Paragon Customer Communications (Bristol) Limited is consistent with the size and complexity of the company. In the performance of its duty to promote the success of the company, the directors have regard to a number of matters, including listening to and considering the views key stakeholders to build trust and ensure it fully understands the potential impacts of the decisions it makes for our stakeholders, the environment and the communities in which we operate. Engagement with the company's main stakeholder groups, including our people, customers and suppliers, at all levels of the organisation are contained in the directors 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.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

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.

Coronavirus risk

In relation to the Coronavirus (COVID-19) pandemic, the directors continue to assess the situation across key markets and the potential risk to the operation of the business daily. 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 work from home where possible. The company has maintained a sufficient level of trading activity 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 of 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.

Brexit risk

The UK's decision to leave the EU has had minimal impact on the company and across the group as a whole. Political and economic uncertainty have progressively faded and there has been no significant decline in the value of Sterling. Given the scale of Brexit, the Board continues to monitor whether any further volatility is likely to arise in the short to medium term.

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

Jeremy Walters

J E C Walters
Director

Date: 18/2/2022

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

The directors present their report and the audited financial statements for the year ended 30 June 2021.

Results and dividends

The profit for the year ended 30 June 2021, after taxation, amounted to £10.2m (30 June 2020 - £0.4m).

Details of future developments and dividends can be found in the strategic report and form part of this report by cross-reference.

Directors

The directors who served during the year were:

P J Crean
L T Salmon
J E C Walters

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

Going concern

The Directors have performed an assessment of going concern, including receiving written support provided from its ultimate parent company ("the Paragon Group"). The Paragon Group have performed an assessment of going concern by reviewing the Group's cash position, available banking facilities and financial forecasts for the period under review being July 2021 through to March 2023, including the ability to adhere to banking covenants. In doing so, the Directors have considered the uncertain nature of the current COVID-19 pandemic, current trading trends and extensive actions already undertaken to protect profitability and conserve cash.

Four scenarios were considered by the Paragon Group in preparing their going concern assessment, being a management case and three other scenarios using a set of severe but plausible downside assumptions to that management case. Overall the Group traded in line with the management case for the first six months of the 2022 financial year and has remained profitable and cash generative which further underlines the resilience and adaptability of the business during this difficult time.

The management case which is built up from detailed projections for each of the Group's businesses and markets includes the following key assumptions:

- The management case anticipates that volume would be steady for the remainder of the period under review;
- The downside case factors in a reduction in variable costs to align the costs with the lower volumes including furloughing staff as part of government support scheme and reducing repairs and maintenance costs;
- Additional reductions in support costs to reflect the impact of the extensive cost reduction initiatives implemented by the Group including the implementation of a recruitment freeze, deferral of executive bonuses and graduated salary reductions for support staff across the business;
- The downside case included further reductions in the range of 10%, 25% and 40% in turnover across the Group's five divisions for the remainder of period under review, to reflect the scenario of a deeper economic impact, region specific lockdowns in the UK and a slower recovery over the course of the next year. Those projections showed that the Group will continue to operate viably over that period;
- The above downside case excludes €180m in post-balance sheet funding received by the wider Group, which will have a positive impact on going concern.

Based on the above, the Directors have, at the date of signing of the accounts, a reasonable expectation that with the support provided from Paragon Group, 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 even though its trade and assets have been hived over to Paragon Customer Communications (London) Limited.

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

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

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. The company is a party to Paragon Customer Communications Limited group's debt factoring arrangement which minimizes credit risk.

Liquidity risk

The company has access to funding from other group companies 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.

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 in the forefront in the industry.

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.

Directors' qualifying third party indemnity provisions

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited 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 audited 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 audited 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 audited 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 audited 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.

Engagement with employees

Focus Areas	How we engage	Engagement outcomes
Engaging employee culture	Fortnightly "all staff newsletter" via email and electronic displays	All employees are aware of significant success and activities across the business
Motivated and talented employees	Development and succession planning	Employees supported in external qualifications
Safety focus	All staff have mandatory safety training relevant to their roles within the business	All employees are aware of their role in their own safety and the safety of those around them, accident levels are low.
Diversity and inclusion agenda	The senior management team have put in place an Equality, Diversity & Inclusion Policy and has established an Inclusion Council.	The Inclusion Council will support the senior management team in the creation of an integrated inclusion strategy.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

Engagement with suppliers, customers and others

Strong leadership, along with continued support from customers and suppliers, who continue to recognise Paragon group's commitment to the communications industry, resulted in us reporting excellent growth in both turnover and profitability, primarily from the augmentation of existing accounts within the Paragon group of companies.

Our position of offering a complete range of communication solutions is becoming ever more attractive to clients in an increasingly complex multi-channel driven, communication landscape. These financial statements show the costs related to our ongoing integration with the Paragon group and our commitment to continue to offer the very best solutions for our customers, most notably our expansion into new key European financial centres including Luxembourg and Dublin. This investment builds on Paragon Customer Communications' cross-border expertise and presence.

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.

Independent auditor

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 and signed on its behalf.

Jeremy Walters

J E C Walters
Director

Date: 18/2/2022

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

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

Opinion

We have audited the financial statements of Paragon Customer Communications (Bristol) Limited (the 'Company') for the year ended 30 June 2021, 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 2021 and of its profit 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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.

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.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

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

Responsibilities of directors for the audit of the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 6, 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. This description forms part of our Auditors' Report.

**Explanation as to what extent the audit was considered capable of detecting irregularities,
including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks FRS102 and the Companies Act 2006).
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures and management. We corroborated our inquiries through our review of board minutes and walkthroughs performed with management.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

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

- understanding how the Board considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgments made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted with large values or those posted at the year end;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item; and
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities, including consideration of the engagement team's understanding of and practical experience with audit engagements of a similar nature and complexity, knowledge of the industry in which the client operates, and understanding of the legal and regulatory requirements specific to the entity.
 - In assessing the potential risks of material misstatement, we obtained an understanding of the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

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
Date: 18 February 2022

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 £000	2020 £000
Turnover	4	39,486	38,070
Cost of sales		(23,999)	(23,876)
Gross profit		15,487	14,194
Administrative expenses		(15,697)	(13,602)
Operating (loss)/profit	5	(210)	592
Income from assets disposal	8	10,197	-
Interest payable and expenses	9	(63)	(230)
Profit before tax		9,924	362
Tax on profit	10	323	56
Profit for the financial year		10,247	418

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

All amounts relate to continuing operations.

The notes on pages 17 to 34 form part of these financial statements.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED
REGISTERED NUMBER: 04220397

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	11	-	3,962
Tangible assets	12	-	3,573
		<u>-</u>	<u>7,535</u>
Current assets			
Stocks	13	-	1,185
Debtors: amounts falling due after more than one year	14	35,005	-
Debtors: amounts falling due within one year	14	-	34,655
Cash at bank and in hand	15	-	1
		<u>35,005</u>	<u>35,841</u>
Creditors: amounts falling due within one year	16	-	(9,311)
Net current assets		<u>35,005</u>	<u>26,530</u>
Total assets less current liabilities		<u>35,005</u>	<u>34,065</u>
Creditors: amounts falling due after more than one year	17	-	(8,890)
Provisions for liabilities			
Other provisions	20	-	(417)
		<u>-</u>	<u>(417)</u>
Net assets		<u>35,005</u>	<u>24,758</u>
Capital and reserves			
Called up share capital	21	8,245	8,245
Share premium account		6,593	6,593
Other reserves		73	73
Profit and loss account		20,094	9,847
		<u>35,005</u>	<u>24,758</u>

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED
REGISTERED NUMBER: 04220397

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2021

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

Jeremy Walters

J E C Walters
Director

Date: 18/2/2022

The notes on pages 17 to 34 form part of these financial statements.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 July 2020	8,245	6,593	73	9,847	24,758
Comprehensive income for the year					
Profit for the year	-	-	-	10,247	10,247
Other comprehensive income for the year					
	-	-	-	-	-
Total comprehensive income for the year					
	-	-	-	10,247	10,247
Total transactions with owners					
	-	-	-	-	-
At 30 June 2021	8,245	6,593	73	20,094	35,005

The notes on pages 17 to 34 form part of these financial statements.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 July 2019	8,245	6,593	73	9,429	24,340
Comprehensive income for the year					
Profit for the year	-	-	-	418	418
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	418	418
Total transactions with owners	-	-	-	-	-
At 30 June 2020	8,245	6,593	73	9,847	24,758

The notes on pages 17 to 34 form part of these financial statements.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. General information

Paragon Customer Communications (Bristol) Limited is a 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 directors' 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).

Accounting policies have been applied consistently, other than where new policies have been adopted.

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 2021 and these financial statements may be obtained from Lower Ground Floor, Park House, 16/18 Finsbury Circus, London, EC2M 7EB.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.3 Going concern

The Directors have performed an assessment of going concern, including receiving written support provided from its ultimate parent company ("the Paragon Group"). The Paragon Group have performed an assessment of going concern by reviewing the Group's cash position, available banking facilities and financial forecasts for the period under review being July 2021 through to March 2023, including the ability to adhere to banking covenants. In doing so, the Directors have considered the uncertain nature of the current COVID-19 pandemic, current trading trends and extensive actions already undertaken to protect profitability and conserve cash.

Four scenarios were considered by the Paragon Group in preparing their going concern assessment, being a management case and three other scenarios using a set of severe but plausible downside assumptions to that management case. Overall the Group traded in line with the management case for the first six months of the 2022 financial year and has remained profitable and cash generative which further underlines the resilience and adaptability of the business during this difficult time.

The management case which is built up from detailed projections for each of the Group's businesses and markets includes the following key assumptions:

- The management case anticipates that volume would be steady for the remainder of the period under review;
- The downside case factors in a reduction in variable costs to align the costs with the lower volumes including furloughing staff as part of government support scheme and reducing repairs and maintenance costs;
- Additional reductions in support costs to reflect the impact of the extensive cost reduction initiatives implemented by the Group including the implementation of a recruitment freeze, deferral of executive bonuses and graduated salary reductions for support staff across the business;
- The downside case included further reductions in the range of 10%, 25% and 40% in turnover across the Group's five divisions for the remainder of period under review, to reflect the scenario of a deeper economic impact, region specific lockdowns in the UK and a slower recovery over the course of the next year. Those projections showed that the Group will continue to operate viably over that period;
- The above downside case excludes €180m in post-balance sheet funding received by the wider Group, which will have a positive impact on going concern.

Based on the above, the Directors have, at the date of signing of the accounts, a reasonable expectation that with the support provided from Paragon Group, 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 even though its trade and assets have been hived over to Paragon Customer Communications (London) Limited.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

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 materials basis. The turnover arising is recognised as the services are provided. Turnover provided under a fixed price contract is recognised on a percentage of completion basis.

Deferred income on contracts

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

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life of 20 years.

Other intangible assets

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)**2.6 Tangible fixed assets (continued)**

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	- shorter of the remaining lease period or 10 years
Plant and machinery	- 4 - 7 years
Fixtures and fittings	- 3 - 5 years
Computer equipment	- 2 - 3 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.

Impairment

The company performs impairment reviews in respect of tangible fixed assets and intangible 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 the higher of its net realisable value and its value in use, is less than its carrying amount.

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 Finance leases

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at the commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.9 Stocks

Stocks comprising raw materials are stated at the lower of cost and estimated net realisable value. Provision is made where necessary for obsolete, slow moving and defective stocks. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

2.10 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.

2.11 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.

2.12 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'.

2.13 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. Contributions are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

2.16 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.

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.17 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.18 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 contribution reserve represents funds injected from the parent company through balances due which have been waived and the accounting for share-based payments.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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

- Intangible assets (see note 10)

Intangible assets are amortised over their useful lives taking into account the probable future economic benefits. The carrying value are assessed for impairment annually base on estimation of future cash flows with appropriate discount rates in order to calculate the net present value of those cash flows.

- Tangible assets (see note 11)

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 receivables (see note 13)

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

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

4. Turnover

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

	2021	2020
	£000	£000
Printmail	28,487	28,343
Services	10,999	9,727
	39,486	38,070

Analysis of turnover by country of destination:

	2021	2020
	£000	£000
United Kingdom	38,376	36,134
Rest of Europe	1,110	1,918
Rest of the world	-	18
	39,486	38,070

5. Operating profit before taxation

The profit before taxation is stated after charging:

	2021	2020
	£000	£000
Depreciation of tangible assets:	-	-
owned assets	1,359	1,031
owned under finance lease	516	516
Amortisation of intangibles	1,834	1,951
Auditors' remuneration	17	25
Exchange differences	2	6
Operating lease rentals:	-	-
plant and machinery	134	57
other operating leases	480	495

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

6. Employees

Staff costs were as follows:

	2021	2020
	£000	£000
Wages and salaries	7,641	6,898
Social security costs	748	691
Cost of defined contribution pension scheme	261	260
	<u>8,650</u>	<u>7,849</u>

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

	2021	2020
	No.	No.
Operations	198	177
Administration	56	51
	<u>254</u>	<u>228</u>

7. Directors' remuneration

The directors were remunerated through other group companies and no recharges were made as it was not possible to determine the proportion of the director's work that was performed for the company.

8. Income from assets disposal

	2021	2020
	£000	£000
Gain from net assets hived out	(10,197)	-
	<u>(10,197)</u>	<u>-</u>

The gain on the hive out of net assets of the company to Paragon Customer Communications (London) Limited amounted to £10,197,000 (2020 - £Nil)

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

9. Interest payable and similar expenses

	2021 £000	2020 £000
Loans from group undertakings	-	162
Finance leases	63	68
	<u>63</u>	<u>230</u>

10. Tax on profit

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	2	-
	<u>2</u>	<u>-</u>
Total current tax	<u>2</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(42)	14
Adjustment in respect of prior periods	(2)	25
Changes to tax rates	(281)	(95)
Total deferred tax	<u>(325)</u>	<u>(56)</u>
Taxation on profit on ordinary activities	<u>(323)</u>	<u>(56)</u>

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

10. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	9,924	362
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,886	69
Effects of:		
Expenses not deductible for tax purposes	-	10
Capital allowances for year in excess of depreciation	293	301
Adjustments to tax charge in respect of prior periods	-	25
Other timing differences leading to an increase (decrease) in taxation	(10)	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(1,937)	-
Effect of tax rate change on opening balance	(282)	(95)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(3)
Group relief	(273)	(363)
Total tax charge for the year	(323)	(56)

Factors that may affect future tax charges

The Finance Act 2020 included legislation to maintain the main rate of UK corporation tax at 19%, rather than reducing it to 17% from 1 April 2020. The change to the main rate of corporation tax was substantively enacted by the balance sheet date and therefore included in these financial statements. The UK Budget announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. Temporary differences have been remeasured using these budget tax rates that are expected to apply when the liability is settled or the asset realised.

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

11. Intangible assets

	Customer relationship £000	Computer software £000	Goodwill £000	Total £000
At 1 July 2020	4,833	2,574	450	7,857
Additions	-	37	-	37
Disposals	(4,833)	(2,611)	(450)	(7,894)
At 30 June 2021	-	-	-	-
At 1 July 2020	1,611	2,261	23	3,895
Charge for the year on owned assets	1,611	201	22	1,834
On disposals	(3,222)	(2,462)	(45)	(5,729)
At 30 June 2021	-	-	-	-
Net book value				
At 30 June 2021	-	-	-	-
At 30 June 2020	3,222	313	427	3,962

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

12. Tangible fixed assets

	Short-term leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
At 1 July 2020	1,833	9,938	791	758	13,320
Additions	27	3,429	61	-	3,517
Disposals	(1,860)	(13,367)	(852)	(758)	(16,837)
At 30 June 2021	-	-	-	-	-
At 1 July 2020	1,575	6,703	728	741	9,747
Charge for the year on owned assets	78	1,768	15	14	1,875
Disposals	(1,653)	(8,455)	(759)	(755)	(11,622)
Transfers between classes	-	(16)	16	-	-
At 30 June 2021	-	-	-	-	-
Net book value					
At 30 June 2021	-	-	-	-	-
At 30 June 2020	258	3,234	63	18	3,573

13. Stocks

	2021 £000	2020 £000
Raw materials and consumables	-	1,160
Work in progress (goods to be sold)	-	25
	-	1,185

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

14. Debtors

	2021 £000	2020 £000
Due after more than one year		
Amounts owed by group undertakings	35,005	-
	35,005	-
	2021 £000	2020 £000
Due within one year		
Trade debtors	-	5,828
Amounts owed by group undertakings	-	24,639
Other debtors	-	5
Prepayments and accrued income	-	3,292
Deferred taxation	-	891
	-	34,655

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

The impairment loss recognised in the company profit or loss for the year ended 30 June 2021 in respect of bad and doubtful trade debtors was £5,683 (30 June 2020 - £Nil).

15. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	-	1
	-	1

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

16. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	-	4,729
Amounts owed to group undertakings	-	245
Corporation tax	-	5
Other taxation and social security	-	1,917
Obligations under finance lease and hire purchase contracts	-	506
Other creditors	-	490
Accruals and deferred income	-	1,419
	<u>-</u>	<u>9,311</u>

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

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

	2021 £000	2020 £000
Net obligations under finance leases and hire purchase contracts	-	1,528
Amounts owed to group undertakings	-	7,362
	<u>-</u>	<u>8,890</u>

Amounts owed to group undertakings are unsecured and bears interest at the rate of 2.25% per annum.

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £000	2020 £000
Not later than 1 year	-	568
Later than 1 year and not later than 5 years	-	1,609
Total gross payments	<u>-</u>	<u>2,177</u>
Finance charges	-	(143)
Carrying amount of liability	<u>-</u>	<u>2,034</u>

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

19. Deferred taxation

	2021 £000	2020 £000
At beginning of year	891	835
Charged to profit or loss	325	56
Transfers	(1,216)	-
At end of year	-	891

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	-	891
	-	891

20. Provisions

	Dilapidations £000
At 1 July 2020	417
Transfer	(417)
At 30 June 2021	-

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

21. Called up share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
8,245,483 (2020 - 8,245,483) Ordinary shares of £1.00 each	8,245	8,245

PARAGON CUSTOMER COMMUNICATIONS (BRISTOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

22. Pension commitments

The company operates defined contribution pension schemes. The pension cost charge for the year ended 30 June 2021 represents contributions payable to the schemes and amounted to £260,755 (30 June 2020 - £260,340).

At 30 June 2021 £Nil (30 June 2020 - £11,099) was owed to the defined contribution pension scheme providers.

23. Commitments under operating leases

At 30 June 2021 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than 1 year	-	638
Later than 1 year and not later than 5 years	-	2,302
Later than 5 years	-	1,300
	<hr/>	<hr/>
	-	4,240
	<hr/>	<hr/>

The break clause in the lease contract agreements have been factored into the computation of lease commitments for the current period.

The company had no other off-balance sheet arrangements.

24. 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.

25. Controlling party

The immediate parent undertaking is Paragon Customer Communications 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 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. PCC Global PLC, a wholly owned subsidiary of Paragon Group Limited, is the immediate parent undertaking of Paragon Customer Communications Limited.