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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED  
(FORMERLY ST. IVES MANAGEMENT SERVICES LIMITED)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 11 MONTHS PERIOD ENDED 30 JUNE 2018**

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**COMPANY INFORMATION**

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<b>Directors</b>	P J Crean (appointed 22 June 2018) L T Salmon (appointed 22 June 2018) J E C Walters (appointed 22 June 2018) M R Armitage (resigned 22 June 2018) N E Cole (resigned 22 June 2018) P B Gray (resigned 22 June 2018) C J Lovett (resigned 14 March 2018)
<b>Company secretary</b>	R J Cahill
<b>Registered number</b>	05520917
<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 7HV

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**CONTENTS**

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	Page
Strategic Report	1 - 2
Directors' Report	3 - 6
Independent Auditors' Report	7 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12 - 13
Notes to the Financial Statements	14 - 29

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**STRATEGIC REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**Principal activities**

The principal activity of the company continued to be that of supply of print management services.

**Business review**

The results for the company for the 11 months period ended 30 June 2018 show an operating profit of £2.0 million (52 weeks period ended 28 July 2017 - £5.1 million) and turnover of £32.0 million (52 weeks period ended 28 July 2017 - £49.5 million). The directors have paid an interim dividend of £4.0m in the current period and no further dividend is being proposed (52 weeks period ended 28 July 2017 - £4.0 million). The net asset position at the end of the period is £1.5 million (28 July 2017 - £2.9 million).

The company was acquired by Paragon Customer Communications (London) Limited on 22 June 2018 and changed its name to Paragon Customer Communications (Finsbury Circus) Limited.

**Key performance indicators**

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

**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 our customers by working alongside them to deliver cost effective and efficient client communication platforms and solutions. Future developments include the extension of the service offering of the company to include greater presence in the analysis of data and digital solutions which in turn drives multichannel communication and better customer experience.

**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.

**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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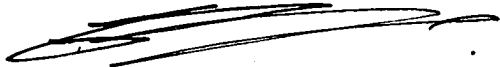
**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 JUNE 2018**

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This report was approved by the board on 22 May 2019 and signed on its behalf.



**J E C Walters**  
Director

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

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The directors present their report and the audited financial statements for the 11 months period ended 30 June 2018.

**Results and dividends**

The profit for the period, after taxation, amounted to £1.6 million (*52 weeks period ended 28 July 2017 - £4.1 million*).

Dividends are disclosed in the strategic report.

**Directors**

The directors who served during the period were:

P J Crean (appointed 22 June 2018)  
L T Salmon (appointed 22 June 2018)  
J E C Walters (appointed 22 June 2018)  
M R Armitage (resigned 22 June 2018)  
N E Cole (resigned 22 June 2018)  
P B Gray (resigned 22 June 2018)  
C J Lovett (resigned 14 March 2018)

**Going concern**

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 JUNE 2018**

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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.

**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 arrangements which minimizes credit risk issue.

**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.

**Directors' qualifying third party indemnity provisions**

Paragon Customer Communications Limited maintains liability insurance for the directors of Paragon Customer Communications (Finsbury Circus) 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 (Finsbury Circus) 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.

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**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.

**Disclosure of information to auditors**

The directors 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.



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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**Auditors**

Grant Thornton UK LLP was appointed as auditor for the period ended 30 June 2018.

The auditor, 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 22 May 2019 and signed on its behalf.



J E C Walters  
Director

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARAGON CUSTOMER  
COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES MANAGEMENT SERVICES  
LIMITED)**

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**Opinion**

We have audited the financial statements of Paragon Customer Communications (Finsbury Circus) Limited (formerly St. Ives Management Services Limited) (the 'Company') for the period ended 30 June 2018, 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 2018 and of its profit for the period 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 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
- 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.

**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.

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARAGON CUSTOMER  
COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES MANAGEMENT SERVICES  
LIMITED) (CONTINUED)**

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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 period 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.

**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.

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARAGON CUSTOMER  
COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES MANAGEMENT SERVICES  
LIMITED) (CONTINUED)**

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**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.

**Use of our report**

This report is made solely to the Company's members, as a body, 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, as a body, 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

~~20~~ May 2019  
28

**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 11 MONTHS PERIOD ENDED 30 JUNE 2018**

		<b>11 months period ended 30 June 2018 £000</b>	<i>52 weeks period ended 28 July 2017 £000</i>
	<b>Note</b>		
Turnover	4	31,982	49,458
Cost of sales		(26,729)	(40,266)
<b>Gross profit</b>		<b>5,253</b>	<b>9,192</b>
Distribution costs		(344)	(600)
Administrative expenses		(2,947)	(3,457)
<b>Operating profit</b>	5	<b>1,962</b>	<b>5,135</b>
Interest receivable and similar income	8	-	(2)
Interest payable and expenses	9	16	17
<b>Profit before tax</b>		<b>1,978</b>	<b>5,150</b>
Tax on profit	10	(384)	(1,022)
<b>Profit for the financial period</b>		<b>1,594</b>	<b>4,128</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 14 to 29 form part of these financial statements.

**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)  
REGISTERED NUMBER: 05520917**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	Note	30 June 2018 £000	28 July 2017 £000
<b>Fixed assets</b>			
Intangible assets	12	185	18
Tangible assets	13	7	62
		<u>192</u>	<u>80</u>
<b>Current assets</b>			
Stocks	14	-	543
Debtors: amounts falling due within one year	15	6,207	8,586
Cash at bank and in hand	16	3,177	6,845
		<u>9,384</u>	<u>15,974</u>
Creditors: amounts falling due within one year	17	(8,054)	(13,186)
<b>Net current assets</b>		<u>1,330</u>	<u>2,788</u>
<b>Total assets less current liabilities</b>		<u>1,522</u>	<u>2,868</u>
<b>Net assets</b>		<u>1,522</u>	<u>2,868</u>
<b>Capital and reserves</b>			
Capital contribution		1,060	-
Profit and loss account		462	2,868
		<u>1,522</u>	<u>2,868</u>

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



**J E C Walters**  
Director

Date: 22 May 2019

The notes on pages 14 to 29 form part of these financial statements.

**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	£000	£000	£000	£000
At 29 July 2017	-	-	2,868	2,868
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	1,594	1,594
Other movement	-	1,060	-	1,060
<b>Other comprehensive income for the period</b>	-	1,060	-	1,060
<b>Total comprehensive income for the period</b>	-	1,060	1,594	2,654
Dividends: Equity capital	-	-	(4,000)	(4,000)
<b>Total transactions with owners</b>	-	-	(4,000)	(4,000)
<b>At 30 June 2018</b>	-	1,060	462	1,522

The notes on pages 14 to 29 form part of these financial statements.

**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 28 JULY 2017**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 29 July 2016	-	2,740	2,740
<b>Comprehensive income for the year</b>			
Profit for the period	-	4,128	4,128
	<u>-</u>	<u>4,128</u>	<u>4,128</u>
<b>Other comprehensive income for the period</b>	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	-	4,128	4,128
Dividends: Equity capital	-	(4,000)	(4,000)
	<u>-</u>	<u>(4,000)</u>	<u>(4,000)</u>
<b>Total transactions with owners</b>	-	(4,000)	(4,000)
	<u>-</u>	<u>(4,000)</u>	<u>(4,000)</u>
<b>At 28 July 2017</b>	<u>-</u>	<u>2,868</u>	<u>2,868</u>

The notes on pages 14 to 29 form part of these financial statements.



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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**1. General information**

Paragon Customer Communications (Finsbury Circus) 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.

The company was acquired by Paragon Customer Communications (London) Limited on 22 June 2018 and changed its name to Paragon Customer Communications (Finsbury Circus) Limited.

**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 2018 and these financial statements may be obtained from Lower Ground Floor, Park House, 16/18 Finsbury Circus, London, EC2M 7EB.

**2.3 Going concern**

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.4 Turnover**

Turnover represents amounts receivable for goods and services net of value added tax and trade discounts.

**Print-mail**

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

**Services**

Turnover is recognised on delivery of digital media and associated products, as well as delivery services.

Development, data processing and consulting services are provided on a time and materials basis and are recognised as the services are provided. Turnover provided under a fixed price contract is recognised on a percentage completion basis.

**2.5 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 five years.

Amortisation on purchased software is provided at a rate of between 20% and 33.3% per annum.

**2.6 Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation.

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:

Fixtures and fittings	- between 20% and 33.3% per annum
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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.

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.7 Stocks**

Stocks are stated at the lower of cost and net realisable value. 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.

**2.8 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.

**2.9 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.

**2.10 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.

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.11 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'.

**2.12 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.

**2.13 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.14 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.

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.15 Current and deferred taxation**

The tax expense for the period 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 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.17 Reserves**

The company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Capital contribution reserve represents funds injected from the parent company through balances due which have been waived.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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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 there are indicators of impairment of the company's 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

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.

- Contract accounting

The company applies its policies on turnover and contracts when recognising revenue and profit on partially completed contracts. The application of this policy requires judgements to be made in respect of the total expected costs to complete and the profit margin achievable on each contract. The company has in place established internal control processes to ensure that the evaluation of costs and revenues is based upon appropriate estimates.

**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

**4. Turnover**

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

	<b>11 months period ended</b>	<i>52 weeks period ended</i>
	<b>30 June</b>	<i>28 July</i>
	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Services	<b>31,982</b>	<i>49,458</i>
	<b>31,982</b>	<i>49,458</i>

Analysis of turnover by country of destination:

	<b>11 months period ended</b>	<i>52 weeks period ended</i>
	<b>30 June</b>	<i>28 July</i>
	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
United Kingdom	<b>31,115</b>	<i>48,858</i>
Rest of the world	<b>867</b>	<i>600</i>
	<b>31,982</b>	<i>49,458</i>

**5. Operating profit**

The operating profit is stated after charging:

	<b>11 months period ended</b>	<i>52 weeks period ended</i>
	<b>30 June</b>	<i>28 July</i>
	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Exchange differences	<b>(5)</b>	<i>(40)</i>
Fees payable to the company's auditor for the audit of annual financial statements of the company	<b>32</b>	<i>11</i>
Depreciation of owned fixed assets	<b>14</b>	<i>14</i>
Amortisation of intangible assets	<b>13</b>	<i>13</i>
Other operating lease rentals	<b>16</b>	<i>9</i>

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**6. Employees**

Staff costs were as follows:

	<b>11 months period ended 30 June 2018 £000</b>	<b>52 weeks period ended 28 July 2017 £000</b>
Wages and salaries	1,547	1,808
Social security costs	163	185
Cost of defined contribution scheme	41	43
	<u>1,751</u>	<u>2,036</u>

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

	<b>11 months period ended 30 June 2018 No.</b>	<b>52 weeks period ended 28 July 2017 No.</b>
Sales	30	35
Administration and management	7	7
	<u>37</u>	<u>42</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 directors' work that was performed for the company.



**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018.**

**8. Interest receivable**

	<b>11 months period ended 30 June 2018 £000</b>	<b>52 weeks period ended 28 July 2017 £000</b>
Other interest receivable	-	(2)

**9. Interest payable and similar expenses**

	<b>11 months period ended 30 June 2018 £000</b>	<b>52 weeks period ended 28 July 2017 £000</b>
Bank interest payable	16	17

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**10. Taxation**

	<b>11 months period ended 30 June 2018 £000</b>	<i>52 weeks period ended 28 July 2017 £000</i>
<b>Corporation tax</b>		
Current tax on profits for the year	380	1,012
Adjustments in respect of previous periods	-	6
	<u>380</u>	<u>1,018</u>
<b>Total current tax</b>	<u>380</u>	<u>1,018</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	4	3
Adjustment in respect of prior year	-	1
	<u>4</u>	<u>4</u>
<b>Total deferred tax</b>	<u>4</u>	<u>4</u>
<b>Taxation on profit on ordinary activities</b>	<u>384</u>	<u>1,022</u>

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**10. Taxation (continued)**

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

The tax assessed for the period/year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.67%). The differences are explained below:

	<b>11 months period ended 30 June 2018 £000</b>	<b>52 weeks period ended 28 July 2017 £000</b>
Profit on ordinary activities before tax	<b>1,978</b>	<b>5,154</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.67%)	<b>376</b>	<b>1,014</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>8</b>	<b>1</b>
Adjustments in respect of prior periods	<b>-</b>	<b>7</b>
<b>Total tax charge for the period/year</b>	<b>384</b>	<b>1,022</b>

**Factors that may affect future tax charges**

Legislation has been enacted to reduce the main UK corporation tax rate from 20% to 19% effective from 1 April 2017. A further reduction to 17% has also been enacted and will be effective from 1 April 2020. The deferred tax balances have been re measured at these rates as appropriate.

**11. Dividends**

	<b>30 June 2018 £000</b>	<b>28 July 2017 £000</b>
Equity dividend paid per ordinary share	<b>4,000</b>	<b>4,000</b>
	<b>4,000</b>	<b>4,000</b>

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**12. Intangible assets**

	<b>Computer software £000</b>
<b>Cost</b>	
At 29 July 2017	278
Additions	180
At 30 June 2018	458
<b>Amortisation</b>	
At 29 July 2017	260
Charge for the year	13
At 30 June 2018	273
<b>Net book value</b>	
At 30 June 2018	185
At 28 July 2017	18

**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

**13. Tangible fixed assets**

	<b>Fixtures and fittings £000</b>
<b>Cost or valuation</b>	
At 29 July 2017	106
Disposals	(42)
At 30 June 2018	64
<b>Depreciation</b>	
At 29 July 2017	43
Charge for the period	14
At 30 June 2018	57
<b>Net book value</b>	
At 30 June 2018	7
At 28 July 2017	63

**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

**14. Stocks**

	<b>30 June 2018 £000</b>	<b>28 July 2017 £000</b>
Work in progress (goods to be sold)	-	543
	<u>-</u>	<u>543</u>

**15. Debtors**

	<b>30 June 2018 £000</b>	<b>28 July 2017 £000</b>
Trade debtors	5,673	7,800
Amounts owed by group undertakings	-	172
Other debtors	258	14
Prepayments and accrued income	263	36
VAT and other taxes	-	552
Deferred taxation	13	12
	<u>6,207</u>	<u>8,586</u>

**16. Cash and cash equivalents**

	<b>30 June 2018 £000</b>	<b>28 July 2017 £000</b>
Cash at bank and in hand	3,177	6,845
	<u>3,177</u>	<u>6,845</u>

**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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

	30 June 2018 £000	28 July 2017 £000
Trade creditors	6,202	9,431
Amounts owed to group undertakings	-	283
Corporation tax	349	1,019
Other taxation and social security	93	-
Other creditors	-	19
Accruals and deferred income	1,410	2,434
	<u>8,054</u>	<u>13,186</u>

**18. Deferred taxation**

	2018 £000	2017 £000
At beginning of year	12	12
At end of year	<u>12</u>	<u>12</u>

The deferred tax asset is made up as follows:

	30 June 2018 £000	28 July 2017 £000
Accelerated capital allowances	13	12
	<u>13</u>	<u>12</u>

**19. Share capital**

	30 June 2018 £	28 July 2017 £
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

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**PARAGON CUSTOMER COMMUNICATIONS (FINSBURY CIRCUS) LIMITED (FORMERLY ST. IVES  
MANAGEMENT SERVICES LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**20. 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 fund amounted to £41k (52 weeks period ended 28 July 2017 - £43k). Contributions totalling £Nil (52 weeks period ended 28 July 2017 - £Nil) were payable to the fund at the reporting date.

**21. 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.

**22. Controlling party**

The ownership of the company changed during the period, the immediate parent undertaking, effective from 22 June 2018, is Paragon Customer Communications (London) 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. Grenadier Holdings Plc, a wholly owned subsidiary of Paragon Group Limited, is the immediate parent undertaking of Paragon Customer Communications Limited.