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**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2023**

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**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	P J Crean L T Salmon J E C Walters
<b>Company secretary</b>	J S R Dally
<b>Registered number</b>	06711794
<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>	National Westminster Bank PLC 92 High Street Huntingdon Cambridgeshire PE29 3DT

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**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**

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## PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

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#### Introduction

The directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006. The directors present this Strategic report and the audited financial statements for the year ended 30 June 2022.

#### Business review

The company was dormant throughout the year, the results therefore show a profit before taxation of £Nil (2022 - £10.7 million profit) and turnover of £Nil (2022 - £95.2 million). The result in 2022 included a gain of £21.3m realised on the hive of the company's trade and assets to Paragon Customer Communications (London) Limited.

The dividend proposed and paid during the year amounted to £Nil (2022 - 167.3p) per ordinary share.

#### 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.

#### Key performance indicators

Paragon Customer Communications International Limited is a wholly owned subsidiary of Paragon Customer Communications Limited (the "group"). Paragon Customer Communications International 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. This 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 2022 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 International Limited consistent with the size and complexity of its business. 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.

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**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**

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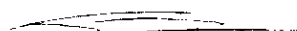
**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2023**

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**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.

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



**J E C Walters**

Director

Date: 28/03/2024

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## PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

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

#### Principal activity

The principal activities of the company were the provisions of brand communication services including marketing services, customer management and business support services.

#### Results and dividends

The profit for the year, after taxation, amounted to £NIL (2022 - £10.0m profit).

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

#### Going concern

The financial statements have been prepared on a basis other than a going concern because the operations of the company have been migrated into its immediate parent undertaking, Paragon Customer Communications (London) Limited.

As a result, the directors have assessed whether there are any adjustments that need to be made in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify long-term liabilities as current liabilities. They have concluded that there are no accounting adjustments as a result of preparing these financial statements on a basis other than that of a going concern.

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## PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED

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

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#### Financial risk management

Treasury management including currency and interest rate hedging is undertaken as part of the overall risk management strategy of the Paragon Group Limited group. The Company's borrowings are predominantly with other group companies and there is currently no interest rate hedging, and no hedge accounting has been adopted.

The main foreign currency in which the Company transacts is Euros. The Company has assets and liabilities which are denominated in Euros. The Company uses natural hedging by holding foreign currency assets to offset the foreign currency risk of the net assets and liabilities and associated interest. The directors consider this to be the Company's only material exposure to currency risk, but will continue to monitor the risk in the future.

Competitive pressure in the UK is a continuing risk for the Company. The Company manages this risk by providing added value services and by maintaining strong relationships with its customers.

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities. This risk is managed through day to day monitoring of future cash flow requirements to ensure that the Company has sufficient resources to repay all future amounts outstanding.

The Company is exposed to customer credit risk through continuing uncertainty in the economy. The group 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 group uses a debt factoring agreement (including insurance) which minimises the exposure to credit risk.

#### Research and development

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

#### Employment of disabled persons

The Company's policy regarding the employment of disabled persons is that full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

#### Streamlined Energy and Carbon Reporting

The company has taken advantage of the exemption not to disclose energy and carbon information in its accounts as these details are already included in the wider Paragon Group accounts.

#### Directors' qualifying third party provisions

Paragon Customer Communications Limited maintains liability insurance for the directors of Paragon Customer Communications International 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 International 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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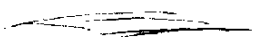
**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**

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

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

  
J E C Walters  
Director  
Date: 28/03/2024



PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED

INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £000	2021 £000
Turnover	4	-	95,242
Cost of sales		-	(72,947)
<b>Gross profit</b>		-	22,295
Distribution costs		-	(128)
Administrative expenses		-	(32,968)
Other operating income	5	-	21,339
<b>Operating profit</b>	6	-	10,538
Interest receivable and similar income	10	-	257
Interest payable and similar expenses	11	-	(98)
<b>Profit before tax</b>		-	10,697
Tax on profit	12	-	(675)
<b>Profit for the financial year</b>		-	10,022

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

The notes on pages 10 to 20 form part of these financial statements.

**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**  
**REGISTERED NUMBER: 06711794**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Note	2023 £000	2022 £000
Intangible assets		-	4,411
Tangible assets		-	(4,411)
		-	-
<b>Current assets</b>			
Debtors		-	76
		-	76
Creditors: amounts falling due within one year	14	-	(76)
<b>Net current assets</b>		-	-
<b>Total assets less current liabilities</b>		-	-
<b>Net assets</b>		-	-
<b>Capital and reserves</b>			
		-	-

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

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

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

**J E C Walters**

Director

Date: 28/03/2024

The notes on pages 10 to 20 form part of these financial statements.

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**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**

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

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	<b>Total equity £000</b>
<b>Total comprehensive income for the year</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>-</b>
<b>Total transactions with owners</b>	<b>-</b>

The notes on pages 10 to 20 form part of these financial statements.

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**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**

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

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	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 July 2021	10,000	(3,292)	6,708
<b>Comprehensive loss for the period</b>			
Profit for the year	-	10,022	10,022
Shares cancelled during the year	(10,000)	-	(10,000)
Other movement - share capital reduction	-	10,000	10,000
<b>Total comprehensive loss for the period</b>	(10,000)	10,000	-
<b>Total comprehensive loss for the period</b>	(10,000)	20,022	10,022
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(16,730)	(16,730)
<b>Total transactions with owners</b>	-	(16,730)	(16,730)
<b>At 30 June 2022</b>	-	-	-

The notes on pages 10 to 20 form part of these financial statements.

During the year, the company reduced its issued share capital from £10,000,000 to £100 by cancelling and extinguishing 9,999,900 of the issued ordinary shares of £1 each in the company.

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

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**1. General information**

Paragon Customer Communications International Limited is a private company, limited by share, 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 financial information contained in the statement and in the notes is rounded to the nearest £'000.

**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 Going concern**

The financial statements have been prepared on a basis other than a going concern because the operations of the company have been migrated into its immediate parent undertaking, Paragon Customer Communications (London) Limited.

As a result, the directors have assessed whether there are any adjustments that need to be made in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify long-term liabilities as current liabilities. They have concluded that there are no accounting adjustments as a result of preparing these financial statements on a basis other than that of a going concern.

**2.3 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 2022 and these financial statements may be obtained from Lower Ground Floor, Park House, 16/18 Finsbury Circus, London, EC2M 7EB.

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## PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.4 Consolidation

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

##### 2.5 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 profit or loss 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 Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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

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**2. Accounting policies (continued)**

**2.6 Revenue**

The company recognises revenue as principal when it is exposed to all significant benefits and risks associated with the selling price; assumption of credit risk; performance of part of the services or modification to goods supplied and discretion in supplier selection.

*Transactional print and mail* - The Company recognises revenue upon shipment to the customer and the transfer of title and risk of loss. Contracts generally specify F.O.B. shipping point terms.

*Design and print management* - The Company recognises revenue upon shipment to the customer and the transfer of title and risk of loss. Contracts generally specify F.O.B. shipping point terms. Under agreements with certain customers, custom products may be stored by the Company for future delivery. In these situations, the Company receives a logistics and warehouse management fee for the services it provides. In certain of these cases, delivery and billing schedules are outlined in the customer agreement and product turnover is recognised when manufacturing is complete, title and risk of loss transfer to the customer and there is reasonable assurance as to collectability. Because the majority of products are customized, product returns are not significant; however, the Company accrues for the estimated amount of customer credits at the time of sale. Billings for third party shipping and handling costs are included in net turnover and related costs are included in cost of sales.

*Inbound document management* - Revenue from services is recognised as the services are delivered to the customers. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

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

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.9 Finance costs**

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

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## PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.10 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.11 Taxation

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

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



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

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2. Accounting policies (continued)

2.12 Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of the reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

2.13 Stocks

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

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

2.14 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.

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## PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.15 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.

##### 2.16 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.

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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.17 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.

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PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED

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

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

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

4. Turnover

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

	2023 £000	2022 £000
Printmail	-	35,034
Services	-	60,208
	<u>-</u>	<u>95,242</u>

Analysis of turnover by country of destination:

	2023 £000	2022 £000
United Kingdom	-	87,258
Rest of Europe	-	4,445
Rest of the world	-	3,539
	<u>-</u>	<u>95,242</u>

5. Other operating income

	2023 £000	2022 £000
Gain from hive of assets (see note 29)	-	21,339
	<u>-</u>	<u>21,339</u>

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**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**

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

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**6. Operating profit**

The operating profit is stated after charging:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Exchange differences	-	(25)
Other operating lease rentals	-	682
	<u>-</u>	<u>657</u>

**7. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors and their associates:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	-	100

**8. Employees**

Staff costs were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	-	26,436
Social security costs	-	2,491
Cost of defined contribution scheme	-	1,119
	<u>-</u>	<u>30,046</u>

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Production and distribution	-	815
Administration	-	74
	<u>0</u>	<u>889</u>

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**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**

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

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**9. Directors' remuneration**

During the year, the directors were remunerated through other Paragon UK 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 (2022 - £Nil).

**10. Interest receivable**

	<b>2023 £000</b>	<b>2022 £000</b>
Interest receivable from group companies	-	257
	<u>-</u>	<u>257</u>
	<u>-</u>	<u>257</u>

**11. Interest payable and similar expenses**

	<b>2023 £000</b>	<b>2022 £000</b>
Bank interest payable	-	39
Loans from group undertakings	-	13
Finance leases and hire purchase contracts	-	46
	<u>-</u>	<u>98</u>
	<u>-</u>	<u>98</u>

**12. Taxation**

	<b>2023 £000</b>	<b>2022 £000</b>
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	129
Adjustment in respect of prior years	-	546
<b>Total deferred tax</b>	<u>-</u>	<u>675</u>
<b>Taxation on profit on ordinary activities</b>	<u>-</u>	<u>675</u>

PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2022 - lower than) the standard rate of corporation tax in the UK of 20.5% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	-	10,697
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022 - 19%)	-	2,032
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	5
Adjustments to tax charge in respect of prior periods	-	546
Short term timing difference leading to an increase (decrease) in taxation	-	166
Non-taxable income	-	(4,387)
Group relief	-	2,384
Remeasurement of deferred tax	-	(71)
<b>Total tax charge for the year</b>	<b>-</b>	<b>675</b>

Factors that may affect future tax charges

The UK Budget announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which was 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.

13. Dividends

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Dividend paid for the year amounted to £Nil (30 June 2022 - 167.3p) per ordinary share	-	16,730
	-	16,730

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**PARAGON CUSTOMER COMMUNICATIONS INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Creditors: Amounts falling due within one year**

	<b>2023 £000</b>	<b>2022 £000</b>
Amounts owed to group undertakings	-	76
	<u>-</u>	<u>76</u>

Amounts owed to group undertakings are unsecured, repayable on demand and bear no interest.

**15. Share capital**

	<b>2023 £000</b>	<b>2022 £000</b>
<b>Allotted, called up and fully paid</b>		
100 (2022 - 100) Ordinary shares of £1.00 each	-	-
	<u>-</u>	<u>-</u>

During the prior year, the company reduced its issued share capital from £10,000,000 to £100 by cancelling and extinguishing 9,999,900 of the issued ordinary shares of £1 each in the company.

**16. Pension commitments**

The company operates defined contribution pension schemes. The pension cost charge for the year represents contributions payable to the schemes and amounted to £Nil (2022 - £1,119,000).

At the end of the year, £Nil (2022 - £Nil) was owed to the defined contribution pension scheme providers.

**17. 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.

**18. 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.