Registered number: 07262428

PARAGON CUSTOMER COMMUNICATIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

COMPANY INFORMATION

Directors	P J Crean L T Salmon J E C Walters
Company secretary	S Crean
Registered number	07262428
Registered office	Lower Ground Floor Park House London EC2M 7EB
Independent auditors	Deloitte LLP Statutory Auditor 1 New Street Square London EC4A 3HQ
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN

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STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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 2024.

Principal activities

Paragon Customer Communications Limited is a private company incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006 and limited by shares.

The principal activity of the company is that of a holding company with responsibilities for head-office operations for its subsidiary undertakings .

The directors are not aware, at the date of this report, of any changes in the company's activities in the next year.

Business review

The results for the company for the year show a profit before taxation of £1.7m (2023 - £20.6m loss)

The directors have not proposed or paid dividend during the year (2023 - £Nil).

The net assets position as at the end of the year is £100.1m (2023 - £98.6m)

Strategy and future developments

There are no immediate plans to change the nature of the activities performed by the company.

Financial key performance indicators

Paragon Customer Communications Limited is a wholly owned subsidiary of PCC Global Plc (the "group"). Paragon Customer Communications Limited is managed by the directors in accordance with the strategies of its parent company, PCC Global Plc. 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 PCC Global Plc, the company's parent which does not form part of this report.

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). During the year, 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 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 of 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

Talent management – To maintain the high levels of quality and service employee retention is key. The business manages the risks of attrition by maintaining good communications with staff, by training and developing the employees and incentivising excellent performance through various initiatives.

Pandemic risk – The risk of future long-term pandemic related lockdowns affecting multiple major markets appears to be subsiding. However, the company still recognises the risks related to global outbreak of a public health threat or fear of such an event which could result in increased government restrictions and regulations including the shutdown of trade, restrictions to travel, and quarantining of our employees which in turn may affect demand negatively or causing a slowdown or halting our business operations due to supply or logistic constraints and thus adversely impact our financial performance. 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 as global crisis management programme are in place to enhance our capability to reach effectively and minimise damage and disruption to our business operations. There is multi-channel product availability, enabling clients to meet the needs for digital interaction to replace physical interactions. There are established links to government bodies enabling dialogue regarding industry response and regulation. Also, the decentralised decision-making process enables re-prioritisation and resource re-deployment where required.

IT, Cyber Attacks and Systems Failure risk - The risk of failure to prevent impacts from the denial of service, cyber espionage and related theft/disclosure of confidential/customer data leading to reputational, regulatory and financial impacts are being mitigated by regular reviews of our cyber security and website security protocols. Business continuity plans have also been implemented across Paragon, including disaster recovery programmes, and plans to minimise business disruption.

Inflation - The company's primary exposure to inflation is mainly on staff costs. The directors believe however that the effect of inflation is limited, as in many cases, increased costs can be passed on to clients as allowed in contracts, and operationally the Group continues to rationalise its operational footprint to reduce overhead costs and seeks to gain efficiency improvement.

Economic and political changes – Growing geopolitical tension and conflicts continue to have a destabilising effect in our markets and across geographical regions. This rise in geopolitical activity continues to have an adverse effect upon the economic outlook, the general erosion of trust and an increasing trend of national ideology and regional convergence over global cooperation and integration. This risk is mitigated by the diverse client portfolio consisting of organisations operating in different industry sectors and across a broad geographical spread thus minimising the risk of any specific challenges faced with individual clients, markets or sectors. Close working relationship with our in-country teams, third party advisors, clients and other agencies in monitoring the level and nature of geopolitical issues, events and developments across all markets and regions is another means by which this risk is mitigated.

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 wastes, recycling and reducing energy consumption.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

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

J E C Walters
Director

Date: 24/02/2025

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

The directors present their report and the financial statements for the year ended 30 June 2024.

Results and dividends

The profit for the year, after taxation, amounted to £1.5m *(2023 - £17.9m loss).*

The directors have not proposed or paid dividends during the year (2023 - £Nil).

Directors

The directors who served during the year were:

P J Crean
L T Salmon
J E C Walters

Matters covered in the Strategic Report

A review of the business, principal activities, details of future developments and principal risks and uncertainties are included in the Strategic Report.

Going concern

The Directors have performed an assessment of going concern, including receiving written support provided from its parent company (PCC Global Plc - "The PCC Global Group"). The PCC Global Group have performed an assessment of going concern, including a review of the Group's future cash requirements, earnings projections and financial forecasts until 30 June 2026 on a prudent basis with due considerations given to impact of a range of potential changes to trading performance. In doing so, the Directors have concluded that the group will be able to operate within its current facilities and comply with its banking covenants for the foreseeable future and therefore believe it is appropriate to prepare the group financial statements on a going concern basis.

Financial Forecasts

Four scenarios were considered for the group in preparing our going concern assessment – a management case (base case), and three other scenarios (downside cases). We used a set of severe but plausible downside assumptions for the downside cases.

The directors have prepared a series of outcomes built up from detailed projections for each of the group's businesses and markets, considering:

- Reasonably possible increase in revenue and operating costs – management case (base case);
- Severe but plausible downside declines in revenue – downside cases;
- The downside cases factor in a reduction in variable costs to align the costs with the lower volumes;
- We assumed extra 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; and
- The downside cases included further reductions in the range of 5% - 15% in turnover across the five divisions for 2025 to reflect a scenario of a deeper economic impact of war in Ukraine, cost of living increases, and a slower recovery over the course of next year. Those projections and considering the group's bank covenant and liquidity headroom and cost mitigation actions, which are implemented, show that the group would be able to operate with appropriate liquidity and within its banking covenants and be able to meet its liabilities as they fall due.

Outcome of assessment

Overall the PCC Global Group traded in line with the management case for the first seven months of the 2025 financial year and has remained profitable at an underlying EBITDA level which further underlines the resilience and adaptability of its business during this difficult time. PCC Global Group are now well positioned to manage its business risks and have considered a number of factors including current trading performance, the outcomes of comprehensive forecasting, a range of possible future trading impacts, and existing liquidity.

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

Financial risk management

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

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of continually managing exposure to commodity price risk exceeds any significant potential benefit. The risk is mitigated due to the ongoing centralisation of the company procurement team and also certain inputs being rechargeable directly to clients. The directors of the company will revisit the appropriateness of this policy should the company's operations change in size and nature.

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 the issue of credit risk.

Liquidity risk

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

Interest rate risks

The company's interest bearing assets and liabilities are mainly intercompany and they carry a fixed interest rate.

Engagement with suppliers, customers and employees

Suppliers

The performance of the company's suppliers is integral to its success. We have a diversified supplier base from small contractors to FTSE100 groups and they play a critical role in the success of our business. We aim to continue to build mutually beneficial long-term relationships with our suppliers.

The primary interest of suppliers include building a long-term mutually beneficial relationship and payment obligations being met on time.

How we engage - The directors, together with the members of the management team engage collaboratively with suppliers to discuss matters of mutual interest, including any risk which may need to be addressed. The directors are given updates as appropriate regarding the business's relationship with its suppliers, including with respect to any material risks, performance issues or potential future changes.

Engagement outcomes - Our suppliers and agencies are experts in the wide range of goods and services we require to create and market our brands. By working with them closely, we not only deliver high quality products marketed responsibly, but improve our collective impact, ensuring sustainable supply chains, reducing our environmental impact and making positive contributions to the society.

Customers

We are a customer focussed business and we pride ourselves on delivering an outstanding service. The directors always consider the potential long-term impact its decisions may have on customers. The primary interest of our customers are first class product and service; on time delivery and assurance that their data are being kept private.

How we engage - The directors receive regular reports from management based on market trends and customer feedback. The directors encourage the business to maintain multiple channels and methods of communication with customers to promote a meaningful and honest dialogue. The directors are responsible for approving material business transactions and ket strategic changes as part of which customers' interests are at the fore.

Engagement outcomes - The directors consider if, and how, divergent interests can be reconciled. Our collaboration with a a wide range of customers, big and small, on-trade and off, digital and e-commerce provides opportunities that offer profitable growth for our customers. Our passion is to ensure we nurture mutually beneficial relationships that deliver joint value and the best outcome for all our customers.

Engagement with our employees are discussed below:

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.

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.

Research and development activities

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

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

For the purposes of the Companies Act 2006, Paragon Customer Communications Limited provides indemnity insurance for its directors and company secretary 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of 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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

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

J E C Walters
Director

Date: 24/02/2025

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

Opinion

In our opinion the financial statements of Paragon Customer Communications (London) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

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 (the FRC'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

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Auditor's 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 auditor's 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included GDPR, health and safety laws and employment legislation.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions 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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

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

We have nothing to report in respect of these matters.

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.

G E Miles

Georgina Miles (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom
Date: 25 February 2025

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 £000	*2023 £000*
Administrative expenses		**(70,101)**	*(58,939)*
Other operating income	4	**71,239**	*46,978*
Operating profit/(loss)	5	**1,138**	*(11,961)*
Income from shares in group undertakings	9	**9,018**	*-*
Interest receivable and similar income	10	**1,433**	*-*
Interest payable and similar expenses	11	**(9,847)**	*(8,648)*
Profit/(loss) before tax		**1,742**	*(20,609)*
Income tax (expense)/credit	12	**(197)**	*2,726*
Profit/(loss) for the financial year		**1,545**	*(17,883)*

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2024 (2023:£000NIL).

The notes on pages 19 to 44 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note		2024 £000		2023 £000
Fixed assets					
Intangible assets	13		**32,113**		*20,162* *
Property, plant and equipment	14		**68**		*165* *
Investments in subsidiaries	15		**156,705**		*165,240*
			188,886		*185,567*
Current assets					
Debtors: amounts falling due within one year	16	**32,526**		*31,088*	
Cash and cash equivalents	17	**38,739**		*20,315*	
		71,265		*51,403*	
Creditors: amounts falling due within one year	18	**(51,294)**		*(48,296)*	
Net current assets			**19,971**		*3,107*
Total assets less current liabilities			**208,857**		*188,674*
Creditors: amounts falling due after more than one year	19		**(107,212)**		*(89,768)*
			101,645		*98,906*
Provisions for liabilities					
Provisions	22	**(1,541)**		*(347)*	
			(1,541)		*(347)*
Net assets excluding pension asset			**100,104**		*98,559*
Net assets			**100,104**		*98,559*
Capital and reserves					
Share capital	23		**51,000**		*51,000*
Share premium account	24		**30,901**		*30,901*
Capital contribution reserve	24		**1,127**		*1,127*
Merger reserve	24		**14,021**		*14,021*
Profit and loss account	24		**3,055**		*1,510*
			100,104		*98,559*

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2024

*£3,950,000 was restated between intangible assets and property, plant and equipment in the prior year (see notes 13 and 14.

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: 24/02/2025

The notes on pages 19 to 44 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Called up share capital	Share premium account	Capital contribution reserve	Merger reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 July 2023	51,000	30,901	1,127	14,021	1,510	98,559
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,545	1,545
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	1,545	1,545
Total transactions with owners	-	-	-	-	-	-
At 30 June 2024	51,000	30,901	1,127	14,021	3,055	100,104

The notes on pages 19 to 44 form part of these financial statements.

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

	Called up share capital	Share premium account	Other reserves	Merger reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 July 2022	51,000	30,901	1,127	14,021	19,393	116,442
Comprehensive income for the year						
Loss for the year	-	-	-	-	(17,883)	(17,883)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(17,883)	(17,883)
Total transactions with owners	-	-	-	-	-	-
At 30 June 2023	51,000	30,901	1,127	14,021	1,510	98,559

The notes on pages 19 to 44 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. General information

Paragon Customer Communications Limited ("the Company") is a company, limited by shares, incorporated in England & 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.

The financial information contained in the statement and in the notes is rounded to the nearest £1,000.

The following accounting standards and amendments became effective as at 1 January 2023 and have been adopted in the preparation of these financial statements with effect from 1 July 2023:

- IFRS 17 Insurance Contract;
- amendments to ISA 1 and IFRS Practive Statement 2, Disclosure of Accounting Policies;
- amendments to IAS 1, Classification of Liabilities as Current and Non-current;
- amendments to IAS 8, Definition of Accounting Estimates;
- amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction; and
- amendments to IAS 12, International Tax Reform Pillar Two Model Rules.

These have not had a material effect on these financial statements.

At the date of these financial statements, the following standards and amendments that are potentially relevant to the company, and which have not been applied in these financial statements, were in issue but not yet effective:

- IFRS 18 Presentation and Disclosures in Financial Statements (not yhet endorsed by the UK);
- amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements; and
- amendments to IFRS 16, Lease Liability in a Sale and Leaseback.

The adoption of these standards and interpretations in future periods is not expected to have a material impact on the financiual statements of the company.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 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. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of PCC Global Plc as at 30 June 2024 and these financial statements may be obtained from Lower Ground Floor, Park House, 16/18 Finsbury Circus, London, EC2M 7EB.

2.3 Consolidation

The company is a wholly owned subsidiary of PCC Global Plc, 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 PCC Global Plc which can be obtained from Lower Ground Floor, Park House, 16/18 Finsbury Circus, London, EC2M 7EB.

2. Accounting policies (continued)

2.4 Going concern

The Directors have performed an assessment of going concern, including receiving written support provided from its parent company (PCC Global Plc - "The PCC Global Group"). The PCC Global Group have performed an assessment of going concern, including a review of the Group's future cash requirements, earnings projections and financial forecasts until 30 June 2026 on a prudent basis with due considerations given to impact of a range of potential changes to trading performance. In doing so, the Directors have concluded that the group will be able to operate within its current facilities and comply with its banking covenants for the foreseeable future and therefore believe it is appropriate to prepare the group financial statements on a going concern basis.

Financial Forecasts

Four scenarios were considered for the group in preparing our going concern assessment – a management case (base case), and three other scenarios (downside cases). We used a set of severe but plausible downside assumptions for the downside cases.

The directors have prepared a series of outcomes built up from detailed projections for each of the group's businesses and markets, considering:

- Reasonably possible increase in revenue and operating costs – management case (base case);
- Severe but plausible downside declines in revenue – downside cases;
- The downside cases factor in a reduction in variable costs to align the costs with the lower volumes;
- We assumed extra 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; and
- The downside cases included further reductions in the range of 5% - 15% in turnover across the five divisions for 2025 to reflect a scenario of a deeper economic impact of war in Ukraine, cost of living increases, and a slower recovery over the course of next year. Those projections and considering the group's bank covenant and liquidity headroom and cost mitigation actions, which are implemented, show that the group would be able to operate with appropriate liquidity and within its banking covenants and be able to meet its liabilities as they fall due.

Outcome of assessment

Overall the PCC Global Group traded in line with the management case for the first seven months of the 2025 financial year and has remained profitable at an underlying EBITDA level which further underlines the resilience and adaptability of its business during this difficult time. PCC Global Group are now well positioned to manage its business risks and have considered a number of factors including current trading performance, the outcomes of comprehensive forecasting, a range of possible future trading impacts, and existing liquidity.

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

2. Accounting policies (continued)

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 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 profit or loss within 'other operating income'.

2.6 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to 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.

2.8 Pensions

Defined contribution pension plan

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

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

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense in the Income Statement comprises current tax and deferred tax.

Current tax is the expected tax payable on the taxable profit for the period. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the Statement of Financial Position date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current assets against current liabilities and when they relate to income taxes levied by the same taxa- tion authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is calculated on an undiscounted basis.

2.10 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Computer software that is not integral to an item of property, plant or equipment is classified as an intangible asset and is held on the Statement of Financial Position at cost less amortisation. These assets are amortised on a straight line basis over their estimated useful lives, which is generally two to three years.

Trade names - Costs relating to the use of trade names are recorded at fair value at the date of acquisition and fully amortised over their estimated useful lives which is generally 2 – 5 years.

Other intangible assets - third party technology contract

The intangible asset related to third party technology contract includes the transition and transformation of the group's technology structure to future operating model. The contract is initially recognised at cost and amortised on a straight-line basis over the 8-year useful life of the contract.

2. Accounting policies (continued)

2.11 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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
Fixtures and fittings	- 3 - 5 years
Computer equipment	- 2 - 3 years
Right-of-use assets	- on a straight-line basis, shorter of remaining term of lease or remaining economic life of the ROU asset

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.12 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

The company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Credit risk arising in the context of the company's operations is not significant with the total bad debt provision at the Statement of Financial Position date amounting to 0% of gross trade receivables (2023: 0%). Customer credit risk is managed centrally according to established policies, procedures and controls. Customer credit quality is assessed in line with strict credit rating criteria and credit limits established where appropriate.

Outstanding customer balances are regularly monitored and a review for indicators of impairment (evidence of financial difficulty of the customer, payment default, breach of contract etc.) is carried out at each reporting date. Significant balances are reviewed individually while smaller balances are grouped and assessed collectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and short term investments with an original maturity of three months or less.

Factoring arrangements

The company is party to a debt factoring arrangement which enables it to accelerate cash flows associated with trade receivables, where advances received are without recourse. Where receivable balances have been sold and the risk and rewards have been transferred to the factors, the undrawn amount is held within the receivable balance and is due from the debt factorers.

Trade and other payables

Trade payables are not interest bearing and are stated at their nominal value.

Other financial liabilities including amounts owed to group undertakings are measured initially at fair value and subsequently at amortised cost usinf effective interest method.

2.14 Leases

At the inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contact conveys a right to control the use of an identified asset for a period of time in exchange for consideration. All leases are accounted for by recognising a right-

2. Accounting policies (continued)

2.14 Leases (continued)

of-use asset and a lease liability unless they are for leases of low value assets or for a duration of twelve months or less.

The company recognises a right-of-use asset and a lease liability at the lease commencement date which is the date at which the asset is made available for use by the company.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for; lease payments made at or before commencement of the lease, initial direct costs incurred; and the amount of any dilapidations provisions recognised where the company is contractually required to dismantle, remove or restore the leased asset. Right-of-use assets are disclosed under three separate categories in the financial statements. These include land and buildings, plant and machinery and other (made up of fixtures & fittings and software).

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless, as is typically the case, this is not readily determinable, in which case the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged through- out the lease term.

Other variable lease payments are expenses in the period to which they relate.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance out- standing and are reduced for lease payments made. Right- of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset, if rarely, this is judged to be shorter than the lease term.

When the company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate of index is revised. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the revised remaining lease term.

2. Accounting policies (continued)

2.15 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 statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

Restructuring provisions are recognised only when the company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline and the employees affected have been notified of the plan's main features.

Dilapidations are the provisions recorded for the costs of returning properties held under lease to the state of repair at the inception of the lease. These provisions are expected to be utilised on the termination of the underlying leases.

The calculation of these provisions requires judgements to be made on the level of dilapidations that have arisen and estimates on the costs of returning the properties to their state of repair at the inception of the lease.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Intercompany balances

The directors have reviewed the recoverability of the remaining intercompany balances and no further impairment is required.

Deferred tax assets

The realisation of deferred tax assets is dependent on the generation of sufficient future taxable profits. The company recognises deferred tax assets to the extent that it is probable that sufficient taxable profits will be available in the future. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Accounting estimates

There are no key sources of estimation uncertainty arising in the preparation of the company's financial statements.

4. Other operating income

	2024 £000	2023 £000
Other operating income	71,239	46,978
	71,239	46,978

Other operating income consist of group fees earned from the company's subsidiaries and commission received. Group fees during the year was £71,239,000 (2023 - £46,678,000) while commission received when the company acted as an intermediary for purchase of computer equipment for a third party was £Nil (2023 - £300,000).

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2024 £000	2023 £000
Amortisation of intangible assets	9,438	8,089
Depreciation of property, plant and equipment	127	324
Depreciation of Right-of-use assets	46	43
Impairment of investment	8,752	2,473
Exchange differences	117	252

6. Auditors' remuneration

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

	2024 £000	2023 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements	50	221

Fees paid for non-audit services was £Nil (2023 - £Nil).

7. Directors remuneration

The directors were remunerated through other Paragon 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.

8. Employees

Staff costs were as follows:

	2024 £000	2023 £000
Wages and salaries	10,449	20,754
Social security costs	1,265	2,093
Cost of defined contribution scheme	467	723
	12,181	23,570

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

	2024 No.	2023 No.
Administration and sales	159	234
Operations	32	121
	191	355

9. Income from shares in group undertakings

	2024 £000	2023 £000
Dividends received from shares in group undertakings	9,018	-

10. Interest receivable and similar income

	2024 £000	2023 £000
Net exchange gain on foreign currency borrowings	1,433	-
	1,433	-

11. Interest payable and similar expenses

	2024 £000	2023 £000
Discount charges	4,866	3,525
Net exchange loss on foreign currency borrowings	-	464
Loans from group undertakings	4,584	4,035
Finance charges on lease liabilities	4	2
Other interest payable - factoring	393	622
	9,847	8,648

12. Income tax (expense)/credit

	2024 £000	2023 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(435)	(2,417)
Changes to tax rates	-	34
Adjustments in respect of prior year	632	(343)
Total deferred tax	197	(2,726)
Taxation on profit/(loss) on ordinary activities	197	(2,726)

12. Income tax (expense)/credit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2023 - higher than)* the standard rate of corporation tax in the UK of 25% *(2023 - 20.5%)*. The differences are explained below:

	2024 £000	*2023 £000*
Profit/(loss) on ordinary activities before tax	**1,742**	*(20,609)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 20.5%)	**436**	*(4,225)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**2,286**	*643*
Fixed assets differences	**103**	*521*
Non-taxable income	**(2,255)**	*(144)*
Group relief (claimed)/surrender	**(1,005)**	*822*
Adjustments in respect of prior years	**632**	*(343)*
Total tax charge for the year	**197**	*(2,726)*

Factors that may affect future tax charges

OECD Pillar 2 On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The company has applied the exception under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes. Paragon Customer Communications Limited currently falls below the prescribed thresholds, the company falls into scope of Pillar 2 tax rules because of total revenue generated within the wider PCC Global Group.

PCC Global Group has performed a number of preliminary assessments of the group's potential exposure to Pillar Two income taxes based on financial information of the constituent entities in the group. Based on the assessments performed, the Pillar Two effective tax rates in all jurisdictions in which the group operates are expected to be either above 15% or covered by exemptions provided within the rules. Therefore, it is not expected that the legislation will have a material impact on the group tax charge and Paragon Customer Communications Limited.

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. Intangible assets

	Trademarks £000	Computer software £000	Total £000
Cost			
At 1 July 2023	18,500	18,942	37,442 *
Additions	-	21,389	21,389
Disposals	-	(2,281)	(2,281)
At 30 June 2024	18,500	38,050	56,550
Amortisation			
At 1 July 2023	9,250	8,030	17,280
Charge for the year on owned assets	4,625	4,813	9,438
On disposals	-	(2,281)	(2,281)
At 30 June 2024	13,875	10,562	24,437
Net book value			
At 30 June 2024	4,625	27,488	32,113
At 30 June 2023	*9,250*	*10,912*	*20,162* *

The individual intangible asset which is material to the financial statements under Trademarks is the Brand Licence with a net book value of £4,625,000 and one year amortisation period remaining.

Also, the individual intangible asset which is material to the financial statements under Computer software is the third party technology contract with a net book value of £23,802,000 and eight year amortisation period remaining.

*The computer software cost at 01/07/2023 was adjusted for by £3,950,000 with the corresponding adjustment in right-of-use assets cost brought forward. This cost relates to the third party technology contract misclassified as right-of-use asset in the prior year financial statements.

14. Property, plant and equipment

	Short-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Right-of-use assets £000	Total £000
Cost or valuation					
At 1 July 2023	55	44	468	99	666 *
Additions	-	-	-	85	85
Transfers intra group	-	-	-	(9)	(9)
Disposals	(55)	(44)	-	(50)	(149)
At 30 June 2024	-	-	468	125	593
Depreciation					
At 1 July 2023	53	36	342	70	501
Charge for the year on owned assets	2	8	117	-	127
Charge for the year on right-of-use assets	-	-	-	46	46
Disposals	(55)	(44)	-	(50)	(149)
At 30 June 2024	-	-	459	66	525
Net book value					
At 30 June 2024	-	-	9	59	68
At 30 June 2023	*2*	*8*	*126*	*29*	*165* *

The net book value of land and buildings may be further analysed as follows:

	2024 £000	*2023 £000*
Short leasehold	-	*2*
	-	2

*The right-of-use asset cost at 01/07/2023 was adjusted for by £3,950,000 with the corresponding adjustment in computer software cost brought forward. This cost relates to the third party technology contract misclassified as right-of-use asset in the prior year financial statements.

15. Investments in subsidiaries

	Investments in subsidiary companies £000
Cost or valuation	
At 1 July 2023	**254,859**
Additions	**217**
At 30 June 2024	**255,076**
Impairment	
At 1 July 2023	**89,619**
Charge for the period	**8,752**
At 30 June 2024	**98,371**
Net book value	
At 30 June 2024	**156,705**
At 30 June 2023	*165,240*

The recoverable amount of the investments are based on value in use computation, which has been calculated over a five year period. The cash flow forecasts employed for this computation are extracted from budgets. Cash flows for a further period are based on the assumptions underlying the budgets. The weighted average long growth rate used for the impairment calculations was 2.5%.

A present value of the future cash flows is calculated using a post-tax discount rate representing the Group's estimated before tax weighted average cost of capital, adjusted to reflect risks associated with the CGU. The post-tax discount rates used is 12.8%.

Applying these techniques, total impairment in the year was £8.8m (2023 - £2.5m).

15. *Investments in subsidiaries (continued)*

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Paragon Customer Communications (London) Limited	England & Wales	Printing services	Ordinary	100%
Paragon Customer Communications (Luxembourg) SA	Luxembourg	Printing services	Ordinary	100%
Lateral Holdings (UK) Limited	England & Wales	Holding company	Ordinary	100%
Paragon Customer Communications International Limited	England & Wales	Dormant	Ordinary	100%
Critical Mail Continuity Services Limited	England & Wales	Business continuity services	Ordinary	100%
Devonshire Appointments Limited	England & Wales	Recruitment consultancy	Ordinary	100%
Paragon Customer Communications Ireland Limited	England & Wales	Printing services	Ordinary	100%
Print Trade Suppliers Limited	England & Wales	Printing services	Ordinary	100%
PCC GDS Limited	England & Wales	Business support services	Ordinary	100%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

15. Fixed assets investments (continued)

Indirectly held

Name	Country of incorporation	Principal activity	Class of shares	Holding
discmm (Nottingham) Limited	England & Wales	Dormant	Ordinary	100%
Innovative Output Solutions (Manchester) Limited	England & Wales	Dormant	Ordinary	100%
Lateral Group Limited	England & Wales	Holding company	Ordinary	100%
With Reason Limited	England & Wales	Dormant	Ordinary	100%
The Lettershop Limited	England & Wales	Printing services	Ordinary	100%
DG3 Group (Holdings) Limited	England & Wales	Printing services	Ordinary	100%
D MSP Celerity Services SL Spain	Spain	Software development	Ordinary	100%
Celerity IS Inc. US	USA	Software development	Ordinary	100%
Editions Publishing Limited	England & Wales	Public relations and communication activities	Ordinary	100%
Psona Limited	England & Wales	Advertising agencies	Ordinary	100%
Psona 12 Limited	England & Wales	Advertising agencies	Ordinary	100%
Editions Financial Inc.	USA	Advertising agencies	Ordinary	100%

The registered address for all the directly and indirectly held subsidiaries is Lower Ground Floor, Park House, 16/18 Finsbury Circus, London, England, EC2M 7EB.

16. Debtors: amounts falling due within one year

	2024 £000	2023 £000
Trade debtors	**520**	*4,691*
Amounts owed by group undertakings	**23,215**	*12,388*
Other debtors	**1,456**	*3,300*
Prepayments	**4,596**	*7,773*
Tax recoverable	**303**	*303*
Deferred taxation	**2,436**	*2,633*
	32,526	*31,088*

The company is party to a debt factoring arrangement where advances received are without recourse. Where receivable balances have been sold, the risk and rewards have been transferred to the factors. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Amounts owed by group undertakings are unsecured, repayable on demand and bears no interest except the amounts owed by the immediate parent undertaking that bears interest at 2% above LIBOR.

17. Cash and cash equivalents

	2024 £000	2023 £000
Cash at bank and in hand	**38,739**	*20,315*
	38,739	*20,315*

18. Creditors: Amounts falling due within one year

	2024 £000	2023 £000
Trade creditors	**4,772**	*23,930*
Amounts owed to group undertakings	**14,875**	*9,820*
Other taxation and social security	**1,034**	*1,664*
Lease liabilities	**26**	*30*
Other creditors	**15,087**	*4,637*
Accruals	**15,239**	*7,954*
Deferred consideration	**261**	*261*
	51,294	*48,296*

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

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

	2024 £000	2023 £000
Lease liabilities	**35**	-
Long term loan	**85,547**	*60,167*
Amounts owed to other participating interests	**21,630**	*29,601*
	107,212	*89,768*

The long term loan is the loan obtained from the immediate parent company, PCC Global Plc. Interest is charged at 4.5% (2023 - 4.14%) with a repayment date of 30 September 2025.

Amounts owed to other participating interests are unsecured, repayable on demand and bears no interest.

20. Leases

Right of use assets

	ROU land and buildings	ROU others	Total	
	£000	£000	£000	
Financial year ended 30 June 2023				
Opening net book value	-	71	71	
Additions	-	15	15	*
Depreciation	-	(27)	(27)	
Disposals	-	(30)	(30)	
At 30 June 2023	**-**	**29**	**29**	*
At 30 June 2023				
Cost or deemed cost	-	99	99	*
Accumulated depreciation	-	(70)	(70)	
Net book amount	**-**	**29**	**29**	*
Financial year ended June 2024				
Opening net book value	-	29	29	
Additions	9	76	85	
Depreciation	(9)	(37)	(46)	
Intercompany transfer	-	(9)	(9)	
At 30 June 2024	**-**	**59**	**59**	
At 30 June 2024				
Cost or deemed cost	-	125	125	
Accumulated depreciation	-	(66)	(66)	
Net book amount	**-**	**59**	**59**	

*The right-of-use asset cost at 01/07/2023 was adjusted for by £3,950,000 with the corresponding adjustment in computer software cost brought forward. This cost relates to the third party technology contract misclassified as right-of-use asset in the prior year financial statements.

20. Leases (continued)

Lease liabilities

	Land and buildings £000	Other £000	Total £000
Cost			
At 1 July 2022	62	73	135
Additions	-	15	15
Intercompany transfers	-	(31)	(31)
Interest	1	1	2
Repayments	(63)	(28)	(91)
At 30 June 2023	-	30	30
Current	-	30	30
Non-current	-	-	-
At 30 June 2023	-	30	30
	-	-	-
Cost	-	-	-
At 1 July 2023	-	30	30
Additions	9	76	85
Intercompany transfers	-	(9)	(9)
Interest	-	4	4
Repayment	(9)	(40)	(49)
At 30 June 2024	-	61	61
Current	-	26	26
Non-current	-	35	35
At 30 June 2023	-	61	61

Undiscounted cashflows - June 2024

	Land and buildings £000	Other £000	Total £000
Not later than one year	-	29	29
Between two to five years	-	41	41
Total undiscounted cashflows	-	70	70

21. Deferred taxation

	2024 £000	2023 £000
At beginning of year	**2,633**	*(90)*
Charged to statement of comprehensive income	**(197)**	*2,726*
Arising on business combinations	**-**	*(3)*
At end of year	**2,436**	*2,633*

The deferred tax asset is made up as follows:

	2024 £000	2023 £000
PPE and intangible assets	**513**	*421*
Tax losses carried forward	**1,836**	*2,126*
Provisions	**87**	*86*
	2,436	*2,633*

In recognising the deferred tax asset, management have reviewed the forecast for which a deferred tax asset has been recognised and are satisfied that sufficicent taxable profits are forecast and available to utilise the asset.

22. Provisions

	Dilapidations £000	Restructuring £000	Annual Compensation Payments £000	Total £000
At 1 July 2023	111	104	132	347
Charged to statement of comprehensive income	-	1,508	-	1,508
Utilised in year	(111)	(189)	(14)	(314)
Reclassification	-	(40)	40	-
At 30 June 2024	-	1,383	158	1,541

	Dilapidations £000	Restructuring £000	Annual Compensation Payments £000	Total £000
Current	-	1,383	14	1,397
Non-current	-	-	144	144
	-	1,383	158	1,541

The dilapidation provisions represents the estimated cost of repairs and restoration required under all current property rentals prior to the end of the lease term. The calculation of this provision requires judgements to be made on the level of dilapidations that may have arisen and estimates on the costs of returning the properties to their state of repair at the inception of the lease. Current provisions represent the anticipated payments to occur which we do not expect to change materially within the next 12 months.

The restructuring provision includes redundancy and related charges incurred on the closure or restructuring of company's operations. Restructuring provisions are recognised when the company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and an appropriate timeline and the employees affected have been notified of the plan's main features. The calculation of restructuring provisions requires estimates in some circumstances to be made about the amounts and timing of resulting payments. Current provisions represent the anticipated payments to occur in the next twelve months.

The ACP (Annual Compensation Payments) provision represents amounts due to former employees of RR Donnelley Print & Media Services Limited, which have been calculated in accordance with the terms of their employment contract at that time based on their expected remaining lives.

23. Share capital

	2024 £000	*2023 £000*
Authorised, allotted, called up and fully paid		
5,095,957,226 *(2023 - 50,959,572,226)* A - ordinary shares shares of £0.01 each	**50,960**	*50,960*
2,840,971 *(2023 - 2,840,971)* B - ordinary shares shares of £0.01 each	**28**	*28*
1,226,689 *(2023 - 1,226,689)* C - deferred shares shares of £0.01 each	**12**	*12*
	51,000	*51,000*

24. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital contribution reserve

This represents funds for share-based payments plan no longer operational.

Merger Reserve

Merger relief arose on past business combinations that was accounted for as a merger in accordance with UK GAAP as applied at that time.

Profit and loss account

This reserve records the cumulative amount of profits and losses less any dividend distributions made.

25. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable to the schemes and amounted to £467,000 (2023 £723,000).

26. Related party transactions

The company has taken advantage of the exemption, under IAS 24 Related Party Disclosures, from disclosing related party transactions as they are all with other companies that are wholly owned by PCC Global Plc.

27. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Paragon Group Limited, a company incorporated in the United Kingdom. PCC Global Limited, a wholly owned subsidiary of Paragon Group Limited, is the immediate parent undertaking of Paragon Customer Communications Limited and the smallest group undertaking for which group accounts are drawn up. The consolidated financial statements of PCC Global Plc can be obtained from Park House, Lower Ground Floor, 16/18 Finsbury Circus, London, EC2M 7EB.

By virtue of shareholding in Paragon Group Limited, Patrick James Crean is the ultimate controlling party.