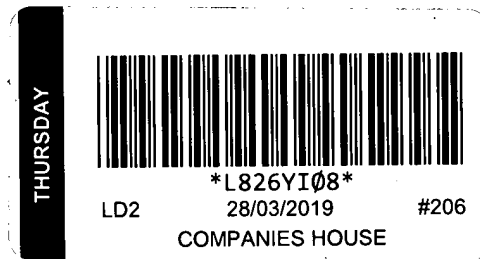


Registered number: 03010097

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018



PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

COMPANY INFORMATION

Directors	P J Crean L T Salmon J E C Walters
Company secretary	R J Cahill
Registered number	03010097
Registered office	Lower Ground Floor Park House 16/18 Finsbury Circus London EC2M 7EB
Independent auditors	Grant Thornton UK LLP Chartered Accountants and Statutory Auditors 30 Finsbury Square London EC2A 1AG
Bankers	Lloyds Bank Plc 25 Gresham Street London E2CV 7HN

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

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PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

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

Principal activity

The company's principal activity was that of real estate operations. The company owned properties that were leased in the prior financial year to Paragon Customer Communications (Bristol) Limited, a fellow group subsidiary, and external clients. These properties were disposed of in April 2016, subsequent to the disposal, the company has not traded.

Business review

The loss for the year is £11,000 (6 months period ended 30 June 2017 - loss of £6,000) and no dividend has been proposed or paid during the year (6 months period ended 30 June 2017 - £Nil). The net assets position at the end of the year is £12,716,000 (2017 - £12,727,000)

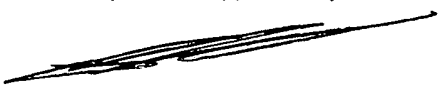
Key performance indicators

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

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.

This report was approved by the board on 30 January 2019 and signed on its behalf.



J E C Walters
Director

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

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

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

Results and dividends

The loss for the year, after taxation, amounted to £11k (2017 - loss £6k).

Dividends are disclosed in the strategic report.

Directors

The directors who served during the year were:

P J Crean
L T Salmon
J E C Walters

Going concern

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

Directors' qualifying third party indemnity provisions

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

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

To the best of our knowledge:

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

Auditors

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

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

This report was approved by the board on 30 January 2019 and signed on its behalf.



J E C Walters
Director

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

Opinion

We have audited the financial statements of Paragon Customer Communications (Realty) Limited (the 'Company') for the year ended 30 June 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, 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.

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARAGON CUSTOMER
COMMUNICATIONS (REALTY) LIMITED (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

30 January 2019



PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Year ended 30 June 2018 £000	<i>6 months period ended 30 June 2017 £000</i>
Administrative expenses	(11)	(4)
Operating loss	<u>(11)</u>	<u>(4)</u>
Tax on loss	-	(2)
Loss for the financial year	<u><u>(11)</u></u>	<u><u>(6)</u></u>

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

All amounts relate to continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

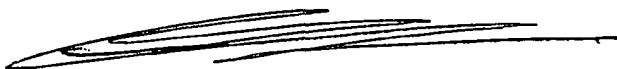
PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED
REGISTERED NUMBER: 03010097

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 £000	2017 £000
Current assets			
Debtors: amounts falling due within one year	8	12,737	12,750
		<u>12,737</u>	<u>12,750</u>
Creditors: amounts falling due within one year	9	(21)	(23)
Net current assets		<u>12,716</u>	<u>12,727</u>
Total assets less current liabilities		<u>12,716</u>	<u>12,727</u>
Net assets		<u>12,716</u>	<u>12,727</u>
Capital and reserves			
Called up share capital		352	352
Share premium account		3,496	3,496
Profit and loss account		8,868	8,879
		<u>12,716</u>	<u>12,727</u>

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 of directors and were signed on its behalf by



J E C Walters
Director

Date: 30 January 2019

The notes on pages 11 to 15 form part of these financial statements.

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2017	352	3,496	8,879	12,727
Comprehensive loss for the year				
Loss for the year	-	-	(11)	(11)
Other comprehensive income for the year				
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year				
Total comprehensive loss for the year	-	-	(11)	(11)
Total transactions with owners				
Total transactions with owners	-	-	-	-
At 30 June 2018	352	3,496	8,868	12,716

The notes on pages 11 to 15 form part of these financial statements.

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	352	3,496	8,885	12,733
Comprehensive loss for the period				
Loss for the 6 months period	-	-	(6)	(6)
	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income for the period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	(6)	(6)
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2017	352	3,496	8,879	12,727

The notes on pages 11 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. General information

Paragon Customer Communications (Realty) Limited is a private limited company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the company information page. The nature of the company's operations and its principal activities are outlined in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Paragon Customer Communications Limited as at 30 June 2018 and these financial statements may be obtained from Lower Ground Floor, Park House, 16/18 Finsbury Circus, London, EC2M 7EB.

2.3 Going concern

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

2.4 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.

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

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

2. Accounting policies (continued)

2.5 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.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.7 Reserves

The company's capital and reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

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

Given the nature of the company's activities, the directors consider that there are no significant judgments or sources of estimation uncertainty involved in preparing these financial statements.

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

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

4. Operating loss

The operating loss is stated after charging:

	Year ended 30 June 2018 £000	<i>6 months period ended 30 June 2017 £000</i>
Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	2	4
	<u>2</u>	<u>4</u>

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

6. Directors' remuneration

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

There are no directors for whom retirement benefits are accruing under money purchase pension scheme (6 months period ended 30 June 2017 - none).

7. Taxation

	Year ended 30 June 2018 £000	<i>6 months period ended 30 June 2017 £000</i>
Corporation tax		
Adjustments in respect of previous periods	-	2
	<u>-</u>	<u>2</u>
Total current tax	<u>-</u>	<u>2</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>2</u>

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

7. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.5%). The differences are explained below:

	Year ended 30 June 2018 £000	6 months period ended 30 June 2017 £000
Loss on ordinary activities before tax	(11)	(4)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.5%)	(2)	(1)
Effects of:		
Expenses not deductible for tax purposes	-	1
Adjustments to tax charge in respect of prior periods	-	2
Group relief	2	-
Total tax charge for the year/period	-	2

Factors that may affect future tax charges

Legislation has been enacted to reduce the main UK corporation tax rate from 20% to 19% effective from 1 April 2017. A further reduction to 17% has also been enacted and will be effective from 1 April 2020.

8. Debtors

	2018 £000	2017 £000
Amounts owed by group undertakings	12,737	12,747
Other debtors	-	3
	12,737	12,750

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

PARAGON CUSTOMER COMMUNICATIONS (REALTY) LIMITED

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

9. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	-	1
Other taxation and social security	21	22
	<u>21</u>	<u>23</u>

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

10. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
352,497 (2017 - 352,497) Ordinary shares of £1.00 each	<u>352</u>	<u>352</u>

11. 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.

12. 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. Grenadier Holdings PLC, a wholly owned subsidiary of Paragon Group Limited, is the immediate parent undertaking of Paragon Customer Communications Limited.