
PARAGON SCIENTIFIC LIMITED

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 AUGUST 2019



PARAGON SCIENTIFIC LIMITED

COMPANY INFORMATION

Directors	J Morris C D Morris S Butler
Registered number	02908151
Registered office	c/o Grant Thornton UK LLP Royal Liver Building Liverpool England L3 1PS
Accountants	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS
Bankers	National Westminster Bank 33 Lord Street Wrexham Clywd LL11 1LP

PARAGON SCIENTIFIC LIMITED

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Report to the directors on the preparation of the unaudited statutory financial statements of Paragon Scientific Limited for the year ended 31 August 2019

We have compiled the accompanying financial statements of Paragon Scientific Limited based on the information you have provided. These financial statements comprise the Statement of Financial Position of Paragon Scientific Limited as at 31 August 2019, the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of Paragon Scientific Limited, as a body, in accordance with the terms of our engagement letter dated 1 April 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Paragon Scientific Limited and state those matters that we have agreed to state to the Board of Directors of Paragon Scientific Limited, as a body, in this report in accordance with our engagement letter dated 1 April 2019. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Paragon Scientific Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in UK and Republic of Ireland'. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Liverpool

Date: 27 March 2020

PARAGON SCIENTIFIC LIMITED
REGISTERED NUMBER: 02908151

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	118,875	-
Tangible assets	6	150,121	163,354
Current assets			
Stocks		225,111	330,252
Debtors		243,063	311,088
Cash at bank and in hand		1,339,409	1,017,780
		<u>1,807,583</u>	<u>1,659,120</u>
Creditors: amounts falling due within one year		<u>(275,299)</u>	<u>(290,020)</u>
Net current assets		<u>1,532,284</u>	<u>1,369,100</u>
Total assets less current liabilities		<u>1,801,280</u>	<u>1,532,454</u>
Creditors: amounts falling due after more than one year		-	(18,161)
Provisions for liabilities			
Deferred tax	7	<u>(21,298)</u>	-
		<u>(21,298)</u>	-
Net assets		<u><u>1,779,982</u></u>	<u><u>1,514,293</u></u>
Capital and reserves			
Called up share capital		610	610
Capital redemption reserve		420	420
Profit and loss account		1,778,952	1,513,263
		<u><u>1,779,982</u></u>	<u><u>1,514,293</u></u>

PARAGON SCIENTIFIC LIMITED
REGISTERED NUMBER: 02908151

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

100% of the company's members have consented to directors drawing up an abridged statement of comprehensive income and abridged statement of financial position for the year ended 31 August 2019.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

J Morris
Director



Date: 20/08/20

The notes on pages 5 to 12 form part of these financial statements.

PARAGON SCIENTIFIC LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2019

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 September 2017	610	420	1,303,907	1,304,937
Profit for the year	-	-	679,556	679,556
Dividends: Equity capital	-	-	(470,200)	(470,200)
Total transactions with owners	-	-	(470,200)	(470,200)
At 1 September 2018	610	420	1,513,263	1,514,293
Profit for the year	-	-	825,473	825,473
Dividends: Equity capital	-	-	(559,784)	(559,784)
Total transactions with owners	-	-	(559,784)	(559,784)
At 31 August 2019	610	420	1,778,952	1,779,982

The notes on pages 5 to 12 form part of these financial statements.

PARAGON SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. General information

Paragon Scientific Limited is a private company, limited by shares and registered in England and Wales. Registration number 02908151.
The registered office is C/O Grant Thornton UK LLP, Royal Liver Building, Liverpool, L3 1PS.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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.

2.3 Revenue

Revenue comprises the invoiced value of the goods and services supplied during the year, excluding trade discounts and value added tax. Revenue is recognised on despatch of the goods.

2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

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

PARAGON SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.5 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Interest income

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

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 the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

PARAGON SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.9 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.

2.10 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.

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

The estimated useful lives range as follows:

Development expenditure	-	5 years straight line
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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.

PARAGON SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods below.

Depreciation is provided on the following basis:

Long-term leasehold property	-	over the term of the lease
Plant, machinery and equipment	-	20% Straight line
Motor vehicles	-	20% Straight line

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 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

PARAGON SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.16 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

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

2.17 Dividends

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

3. Employees

The average monthly number of employees, including directors, during the year was 22 (2018 - 23).

4. Dividends

	2019 £	2018 £
Dividends paid of £918 (2018: £771) per ordinary share	559,784	470,200
	<u>559,784</u>	<u>470,200</u>

PARAGON SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. Intangible assets

	Development expenditure £
Cost	
Additions - internal	148,594
At 31 August 2019	<u>148,594</u>
Amortisation	
Charge for the year	29,719
At 31 August 2019	<u>29,719</u>
Net book value	
At 31 August 2019	<u><u>118,875</u></u>
At 31 August 2018	<u><u>-</u></u>

PARAGON SCIENTIFIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. Tangible fixed assets

	Leasehold property £	Plant, machinery and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2018	68,029	603,804	103,459	775,292
Additions	-	53,914	-	53,914
Disposals	(10,313)	(76,406)	(15,021)	(101,740)
At 31 August 2019	<u>57,716</u>	<u>581,312</u>	<u>88,438</u>	<u>727,466</u>
Depreciation				
At 1 September 2018	68,029	493,513	50,396	611,938
Charge for the year on owned assets	-	34,520	17,688	52,208
Charge for the year on financed assets	-	11,637	-	11,637
Disposals	(10,313)	(73,104)	(15,021)	(98,438)
At 31 August 2019	<u>57,716</u>	<u>466,566</u>	<u>53,063</u>	<u>577,345</u>
Net book value				
At 31 August 2019	<u>-</u>	<u>114,746</u>	<u>35,375</u>	<u>150,121</u>
At 31 August 2018	<u>-</u>	<u>110,291</u>	<u>53,063</u>	<u>163,354</u>

PARAGON SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. Deferred taxation

	2019 £
Charged to statement of comprehensive income	(21,298)
At end of year	<u>(21,298)</u>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Fixed asset timing differences	(21,298)	-
	<u>(21,298)</u>	<u>-</u>

8. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £53,402 (2018: £52,404). At 31 August 2019, pension contributions included within other creditors amounted to £1,744 (2018: £Nil).

9. Commitments under operating leases

At 31 August 2019 the Company had future minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	2019 £	2018 £
Not later than 1 year	34,000	34,000
Later than 1 year and not later than 5 years	87,833	121,833
	<u>121,833</u>	<u>155,833</u>

10. Related party transactions

Included in other debtors is a directors loan account balance of £37,076 (2018: £90,328) which is unsecured and repayable upon demand. Interest of £409 (2018: £Nil) has been charged during the year.