

# Paragon Treasury Plc

2021/22 financial statements and supplementary information for investors

**Paragon Treasury Plc's parent company, Paragon Asra Housing Limited ('PA'), announces the release of its audited financial statements for the financial year ended 31 March 2022.**

The financial year saw continuing impacts from the pandemic, including as a result of our efforts to bounce back from government restrictions and catch up on work which had been delayed. Then in the latter part of the year, emerging high inflation and related cost of living pressures had an increasing influence on our service delivery. Our financial planning remains robust and agile in response to these challenges.

Within this context, we confirm a set of results which aligned with Board expectations for the year, taking into account the rapidly evolving operating environment. The audited financial statements are consistent with the results disclosed in the trading update released on 6 May 2022, which was based on the unaudited management accounts for the year. The most material change from the preliminary results was to insert standard year end accounting adjustments in respect of final salary pension scheme liabilities.

Operating margin from social housing lettings was impacted by additional remediation spend on a small number of estates requiring fire safety improvements, due to historic issues with the quality of the safety installations. This factor will continue to influence reported results for at least the next two financial years while the remediation projects continue.

## Headline Group figures are as follows:

	2021/22	2020/21	2019/20
Turnover £m	169	157	150
Of which shared ownership sales	20	12	8
Operating surplus £m	47	41	55
Operating margin (all activities)	28%	26%	37%
Operating margin (social housing lettings)	22%	25%	26%
Operating margin (SH lettings - excl. additional fire safety expenditure)	27%	28%	n/a
Operating margin (shared ownership sales)	30%	31%	42%
Net surplus before tax £m	20	17	29
Total assets less current liabilities £m	2,054	1,856	1,830
Cash reserves £m	38	41	46
Financial indebtedness £m	994	882	801
Properties owned / managed	23,292	23,020	22,743

As reported in our previous announcements, the challenging trading conditions since the onset of Covid-19 have necessitated planned deviation from our financial golden rules in the short term. The Board has taken this decision to ensure adequacy of investment into our homes and services, taking into account the strength of our underlying financial model. The current cost of living crisis and particular impacts on the social housing sector, including the proposed rent increase cap for the 2023/24 financial year, mean that this situation will continue and the Board has agreed further measured deviation from our standard golden rules. We will outline our position and plans through our regular updates to investors. In the meantime we are happy to respond to individual enquiries.

The full audited financial statements for PA are available from the Investor Relations section of our website: [www.pahousing.co.uk/investorrelations](http://www.pahousing.co.uk/investorrelations). The document includes information about our performance during the year and future expectations.

## Enquiries

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