

# 2020/21 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 2021.

PA's overriding priority throughout the Covid-19 pandemic has been to ensure the safety and welfare of our residents, staff and partners. While our services have faced disruption, we have worked to maintain high service levels wherever possible.

Within this context, PA is pleased to confirm a robust set of results given the significant challenges posed by Covid-19 during the year. The audited financial statements are consistent with the results disclosed in the trading update released on 23 April 2021, 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 surplus is reduced by £14m from the prior year. This is heavily influenced by an £11m reduction in surplus from disposal of fixed assets, reflecting cessation of the Midlands pilot Voluntary Right to Buy scheme which saw significant activity in 2019/20.

These results met the Board's revised plans for the year in the wake of the evolving Covid-19 situation, which heavily disrupted services. During the year the Board also authorised additional fire safety expenditure, in line with our commitment to maintain the highest possible safety standards for our residents.

As a result of these two factors, operating margin from social

## Headline Group figures are as follows:

	2020/21	2019/20	2018/19
<b>Turnover £m</b>	157	150	160
<b>Of which shared ownership sales</b>	12	8	11
<b>Operating surplus £m</b>	41	55	62
<b>Operating margin (all activities)</b>	26%	37%	39%
<b>Operating margin (social housing lettings)</b>	25%	26%	33%
<b>Operating margin (SH lettings – excl. additional fire safety expenditure)</b>	28%	n/a	n/a
<b>Operating margin (shared ownership sales)</b>	31%	42%	33%
<b>Net surplus before tax £m</b>	17	29	39
<b>Total assets less current liabilities £m</b>	1,856	1,830	1,714
<b>Cash reserves £m</b>	41	46	50
<b>Financial indebtedness £m</b>	882	801	712
<b>Properties owned / managed</b>	23,030	22,743	23,059

housing lettings fell below our golden rule of 30%. The Board expects this target to remain under some pressure during 2021/22 as the business works to recover the ground lost due to Covid-19, and continues to deliver against all building safety obligations. However, the Board has scrutinised our medium-term financial plans and remains of the view that the golden rule remains appropriate at 30%.

The full audited financial statements for PA are available from the Investor Relations section of our website: [www.pahousing.co.uk/about-us/investor-relations](http://www.pahousing.co.uk/about-us/investor-relations). The document includes information about our performance during the year and future expectations, including a section dedicated to our environmental, social and governance activities.

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