

# Paragon Treasury Plc

## Paragon Asra Housing Limited ('PA Housing') trading update and unaudited financial results for the year ended 31 March 2026

PA Housing, the parent company of Paragon Treasury Plc and a Registered Provider owning and managing 25,000 homes in the East Midlands, London and Surrey, announces its trading highlights and unaudited summary financial results for the 2025/26 financial year.

### Headline results

PA Housing has delivered an operating surplus before impairment and fair value accounting adjustments of £62.4m (2025: £52.1m) from turnover of £233.2m (2025: £227.7m), equating to an operating margin of 27 per cent (2025: 23 per cent). Total comprehensive income after net interest was £16.4m (2025: £9.2m). Total available liquidity as at 31 March 2026 was £358m (2025: £373m).

Overall operating performance for the year was in line with expectations set within the Board's approved budget. Key risk areas were managed effectively, in particular achievement of sales and disposals surplus targets, and management of responsive repairs costs within budget after the cost overruns experienced in the previous year.

Good progress was made on our fire safety remediation projects, including achievement of Building Safety Regulator milestones to enable start of works on key sites, and continued recovery of costs both from contractors and via grant funding channels. New development activity was steady through the year as we continue to focus on building out the existing on site programme, and we achieved completion on over 400 homes.

The non-recurring fire safety remediation expenditure continues to impact on headline results. Total operating expenditure on these activities in the year was £5.1m, and we received income of £2.0m. Our underlying operating margin excluding these net additional costs was 28 per cent (2025: 24 per cent). A further £4.9m of capital expenditure was incurred on these projects.

### Property sales

During the year we completed 174 new build shared ownership sales, delivering proceeds of £19.2m and a surplus of £5.3m at an average sales margin of 28 per cent. This represents another strong year of sales performance. As at the year end date we had 106 unsold homes; the future pipeline on sales activity is now starting to reduce in line with our broader new development programme.

Asset disposals activities, comprising a mix of shared ownership staircasing, Right to Buy / Acquire sales, and ad hoc tenanted or vacant possession sales in line with our asset management strategy, delivered a surplus of £8.1m. This was £1.1m ahead of budget expectations.

## Other key areas

In other areas of core activity:

- Rent collection remained strong, and we ended the year with gross current resident rent arrears at 2.95% (2025: 3.30%). This is our strongest performance since PA Housing commenced trading in 2017.
- Responsive repairs spend in the year was £26.9m versus budget of £28.5m. This was an important success factor for our Board, having prioritised strong cost control following the expenditure overruns in this area in the previous financial year.
- We achieved full compliance with the Decent Homes Standard with the exception of six homes where work was ongoing at year end for a variety of reasons including access issues.
- Average re-let times are behind target, ending the year at 96 days, and further work is ongoing to improve the efficiency of our end-to-end re-let process. We did though improve our void loss position to 2.2 per cent in the year.
- Service chargeable costs increased significantly during the year to £27.9m and this has fed into higher service charges applied from the start of 2026/27. We continue to work on delivering value for money on behalf of residents through the service charge.
- Net interest payable ended the year £1.8m below budget, reflecting the low levels of loan drawdown through the year and a generally stable interest rate environment up until the outbreak of the Middle East conflict in March 2026.
- In March 2026 we began a consultation with staff regarding planned restructure of certain areas of the business. This is now concluded, with the revised structures going live in May 2026. The 2025/26 financial results include a provision of £1.1m for redundancy and associated costs arising from this process.

No additional financing was raised during the year, with liquidity levels remaining comfortable. As at the year end date we held 24 months of liquidity based on our cautious cash flow forecasts. In line with our financing golden rules work will be undertaken during 2026/27 to replenish the liquidity position.

## Areas of focus

Our updated Corporate Plan sets out the three operational priorities we will be working on through 2026/27:

- Increasing the proportion of **routine (non-emergency) repairs** completed within 15 days to above 90%, and improving our first time fix percentage.
- Continued focus on our response to **anti-social behaviour**, building on investments made to increase staffing numbers and improve policies and procedures and working in collaboration with stakeholders to ensure appropriate and timely actions are taken. We take a victim-centric approach to ASB and we work to offer strong support through what can often be complex and lengthy experiences for our residents. We have taken learnings from expert external scrutiny to help shape our approach.
- Improving our **complaint handling** so that residents receive timely and good quality complaint responses, with assurance that any necessary follow-up action will be delivered.

We use our annual Tenant Satisfaction Measure surveys, carried out in September each year, as the benchmark to test what residents think of our services. Results have been on a consistent improving trend since the first surveys in 2023, including from both the satisfaction and dissatisfaction perspectives, and we want to continue this trend in 2026.

Ongoing investment in our homes and estates is a key contributor. Our Board remains fully committed to an expanded investment programme in order to modernise homes as quickly as resources allow. This includes traditional component replacements, energy-efficiency works (where we have received significant grant funding support) and the fire safety remediation programme. Some component replacement programmes suffered procurement delays in 2025/26 and we have taken steps to address this for the new financial year so that the budgeted investment can be delivered.

### Statement of Comprehensive Income to 31 March 2026 (unaudited)

To allow like-for-like comparison, the prior year figures below exclude impairment and fair value accounting adjustments. In line with our standard year end accounting process, these elements were still under review for 2025/26 at the time of publishing these unaudited results.

	2025/26 £m	2024/25 £m	Variance £m
Rent and service charges income	199.1	187.7	11.4
Shared ownership first tranche sales	19.2	23.0	(3.8)
Other income	9.2	11.4	(2.2)
Amortisation of Social Housing Grant	5.7	5.6	0.1
<b>Turnover</b>	<b>233.2</b>	<b>227.7</b>	<b>5.5</b>
Core operating costs	(139.1)	(137.4)	(1.7)
Depreciation of housing properties	(25.9)	(24.1)	(1.8)
Cost of first tranche sales	(13.9)	(18.1)	4.2
Surplus on fixed asset disposals	8.1	5.0	3.1
<b>Operating surplus</b>	<b>62.4</b>	<b>53.1</b>	<b>9.3</b>
Net interest	(46.1)	(42.7)	(3.4)
Taxation and other adjustments	0.1	(4.1)	4.2
<b>Total comprehensive income</b>	<b>16.4</b>	<b>6.3</b>	<b>10.1</b>

### Statement of Financial Position as at 31 March 2026 (unaudited)

	31 Mar 26 £m	31 Mar 25 £m
Negative goodwill	(4)	(4)
Fixed assets – housing properties	2,393	2,383
Fixed assets – other	25	25
Current assets	121	103
Current liabilities	(55)	(63)
<b>Total assets less current liabilities</b>	<b>2,480</b>	<b>2,444</b>
Creditors due after more than one year	(1,814)	(1,795)
Pension liabilities and other provisions	(12)	(9)
<b>Total net assets</b>	<b>654</b>	<b>640</b>
<b>Reserves</b>	<b>654</b>	<b>640</b>

## Other key metrics and indicators as at 31 March 2026 (unaudited)

Financial metrics exclude impairment and fair value accounting adjustments

<b>Headline financials</b>	<b>31 Mar 26</b>	<b>31 Mar 25</b>
Operating margin (social housing lettings)	23%	22%
As above excluding fire safety remediation net expenditure	24%	23%
Operating margin (all activities)	27%	23%
EBITDA interest cover (loan covenant basis)	179%	170%
Available liquidity	£358m	£373m
Cash	£19m	£21m
Total loans and borrowings	£1,307m	£1,304m
Net debt	£1,288m	£1,283m
Gearing (loan covenant basis)	52%	57%
<b>Core lettings business</b>	<b>31 Mar 26</b>	<b>31 Mar 25</b>
Current resident rent arrears	3.0%	3.3%
Rent loss through voids	2.2%	2.9%
Average re-let time	96 days	74 days
<b>Development and sales</b>	<b>31 Mar 26</b>	<b>31 Mar 25</b>
Completed homes: rented social tenures	325	168
Completed homes: shared ownership	138	239
New build shared ownership homes sold	174	175
Unsold homes total	106	142
Unsold homes > 6 months	91	59
Average sales margin	28%	22%

**Note: The above 2025/26 figures are based on unaudited management accounts and are subject to change following audit. In particular, we expect to book impairment in relation to certain development schemes and land sites. These accounting entries are currently being reviewed and final audited figures will differ in this respect.**

### Enquiries

All enquiries in relation to this trading update should be directed to:

**Simon Hatchman**, Executive Director of Resources

Tel: **07720 087108**

email: [simon.hatchman@pahousing.co.uk](mailto:simon.hatchman@pahousing.co.uk)

### Disclaimer

The information in this preliminary announcement of results has been prepared by Paragon Asra Housing Limited and is for information purposes only. The announcement should not be construed as an offer or solicitation to buy or sell any securities issued by Paragon Treasury Plc or any other member of the Group, or any interest in such securities, and nothing herein should be construed as a recommendation or advice to invest in any such securities.

This unaudited announcement contains certain forward looking statements reflecting, among other things, our current views on markets, activities and prospects. By their nature, forward looking

statements involve a number of risks, uncertainties or assumptions that could cause actual results to differ materially from those expressed or implied by those statements. Actual and audited outcomes may differ materially. Such statements are a correct reflection of our views only on the publication date and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Financial results quoted are unaudited. We do not undertake to update or revise such public statements as our expectations change in response to events. Accordingly, undue reliance should not be placed on forward looking statements.

