

Landlord Name:	Paragon Housing Association Ltd
RSL Reg No.:	298
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Approval

A1.1	Date approved	29/05/2024
A1.2	Approver	Margaret Torrance
A1.3	Approver job title	Director
A1.9	General Comment	

STATEMENT OF COMPREHENSIVE INCOME						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Gross rents	6,740.3	7,229.0	7,838.5	8,120.9	8,384.8	8,636.3
Service charges	6.1	10.6	10.9	11.2	11.5	11.7
Gross rents & service charges	6,746.4	7,239.6	7,849.4	8,132.1	8,396.3	8,648.0
Rent loss from voids	74.9	107.0	75.8	78.5	81.1	83.4
Net rent & service charges	6,671.5	7,132.6	7,773.6	8,053.6	8,315.2	8,564.6
Developments for sale income	0.0	0.0	0.0	0.0	0.0	0.0
Grants released from deferred income	95.0	92.4	124.2	125.5	126.7	128.0
Grants from Scottish Ministers	0.0	0.0	0.0	0.0	0.0	0.0
Other grants	0.0	0.0	0.0	0.0	0.0	0.0
Other income	223.0	215.4	86.7	88.9	90.9	92.7
TURNOVER	6,989.5	7,440.4	7,984.5	8,268.0	8,532.8	8,785.3
Less:						
Housing depreciation	900.0	944.7	1,031.9	1,125.4	1,204.6	1,305.0
Impairment written off / (back)	0.0	0.0	0.0	0.0	0.0	0.0
Management costs	2,199.2	2,205.0	2,290.5	2,362.2	2,430.5	2,494.7
Service costs	0.0	0.0	0.0	0.0	0.0	0.0
Planned maintenance - direct costs	1,675.2	1,153.5	1,735.4	1,832.0	1,426.2	1,111.0
Re-active & voids maintenance - direct costs	1,469.8	1,264.1	1,431.7	1,524.8	1,591.9	1,631.7
Maintenance overhead costs	0.0	0.0	0.0	0.0	0.0	0.0
Bad debts written off / (back)	124.7	107.0	75.8	78.5	81.0	83.5
Developments for sale costs	0.0	0.0	0.0	0.0	0.0	0.0
Other activity costs	0.0	0.0	0.0	0.0	0.0	0.0
Other costs	0.0	0.0	0.0	0.0	0.0	0.0
	5,468.9	4,729.6	5,533.4	5,797.5	5,529.6	5,320.9
Operating Costs	6,368.9	5,674.3	6,565.3	6,922.9	6,734.2	6,625.9
Gain/(Loss) on disposal of PPE	(1.0)	0.0	0.0	0.0	0.0	0.0
Exceptional Items - (Income) / Expense	0.0	0.0	0.0	0.0	0.0	0.0
OPERATING SURPLUS/(DEFICIT)	619.6	1,766.1	1,419.2	1,345.1	1,798.6	2,159.4
Interest receivable and other income	243.7	349.0	164.2	64.4	55.9	45.3
Interest payable and similar charges	1,022.2	931.9	927.2	842.5	824.8	807.2
Increase / (Decrease) in Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Other Gains / (Losses)	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAX	(158.9)	1,183.2	656.2	567.0	1,029.7	1,397.5
Tax on surplus on ordinary activities	0.0	0.0	0.0	0.0	0.0	0.0
SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX	(158.9)	1,183.2	656.2	567.0	1,029.7	1,397.5
Actuarial (loss) / gain in respect of pension schemes	(357.0)	0.0	0.0	0.0	0.0	0.0
Change in Fair Value of hedged financial instruments.	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(515.9)	1,183.2	656.2	567.0	1,029.7	1,397.5

STATEMENT OF FINANCIAL POSITION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Current Assets	£'000	£'000	£'000	£'000	£'000	£'000
Intangible Assets & Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Housing properties - Gross cost or valuation	40,944.0	47,580.8	51,989.4	53,744.6	56,646.5	59,749.9
Less:						
Housing Depreciation	10,767.5	10,836.9	11,868.8	12,994.2	14,198.8	15,503.8
Negative Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
NET HOUSING ASSETS	30,176.5	36,743.9	40,120.6	40,750.4	42,447.7	44,246.1
Non-Current Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Current Assets	464.6	431.5	417.8	404.1	309.4	376.6
TOTAL NON-CURRENT ASSETS	30,641.1	37,175.4	40,538.4	41,154.5	42,757.1	44,622.7
Current Assets						
Net rental receivables	277.1	113.1	116.7	119.6	122.1	124.4
Other receivables, stock & WIP	720.1	313.7	323.8	331.9	339.4	346.2
Investments (non-cash)	0.0	0.0	0.0	0.0	0.0	0.0
Cash at bank and in hand	11,851.7	9,268.3	13,810.2	6,180.3	4,991.8	3,994.1
TOTAL CURRENT ASSETS	12,848.9	9,695.1	14,250.7	6,631.8	5,453.3	4,464.7
Payables : Amounts falling due within One Year						
Loans due within one year	736.0	536.8	7,763.8	189.4	100.0	100.0
Overdrafts due within one year	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term payables	2,016.2	1,526.2	1,575.8	1,615.2	1,651.6	1,684.6
TOTAL CURRENT LIABILITIES	2,752.2	2,063.0	9,339.6	1,804.6	1,751.6	1,784.6
NET CURRENT ASSETS/(LIABILITIES)	10,096.7	7,632.1	4,911.1	4,827.2	3,701.7	2,680.1
TOTAL ASSETS LESS CURRENT LIABILITIES	40,737.8	44,807.5	45,449.5	45,981.7	46,458.8	47,302.8
Payables : Amounts falling due After One Year						
Loans due after one year	17,252.0	16,547.0	17,164.4	16,741.3	16,318.2	15,895.1
Other long-term payables	30.6	30.3	28.1	25.8	23.5	21.1
Grants to be released	4,675.5	7,973.3	8,027.9	7,902.9	7,775.7	7,647.7
TOTAL LONG TERM LIABILITIES	21,958.1	24,550.6	25,220.4	24,670.0	24,117.4	23,563.9
Provisions for liabilities & charges	0.0	0.0	0.0	0.0	0.0	0.0
Pension asset / (liability)	215.0	50.0	50.0	50.0	50.0	50.0
NET ASSETS	18,564.7	20,206.9	20,179.1	21,261.7	22,291.4	23,688.9
Capital & Reserves						
Share capital	0.1	0.1	0.1	0.1	0.1	0.1
Revaluation reserve	0.0	0.0	0.0	0.0	0.0	0.0
Restricted reserves	0.0	0.0	0.0	0.0	0.0	0.0
Revenue reserves	18,564.6	20,206.8	20,179.0	21,261.6	22,291.3	23,688.8
TOTAL CAPITAL & RESERVES	18,564.7	20,206.9	20,179.1	21,261.7	22,291.4	23,688.9
Intra Group Receivables - as included above	0.0	0.0	0.0	0.0	0.0	0.0
Intra Group Payables - as included above	0.0	0.0	0.0	0.0	0.0	0.0

STATEMENT OF CASHFLOWS	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Net Cash from Operating Activities						
Operating Surplus/(Deficit)	619.6	1,766.1	1,419.2	1,345.1	1,798.6	2,159.4
Depreciation & Amortisation	900.0	958.4	1,045.6	1,139.1	1,218.4	1,318.7
Impairments / (Revaluation Enhancements)	0.0	0.0	0.0	0.0	0.0	0.0
Increase / (Decrease) in Payables	0.0	0.0	49.5	39.4	36.3	33.0
(Increase) / Decrease in Receivables	0.0	0.0	(13.7)	(10.9)	(10.0)	(9.0)
(Increase) / Decrease in Stock & WIP	0.0	0.0	0.0	0.0	0.0	0.0
Gain / (Loss) on sale of non-current assets	(1.0)	0.0	0.0	0.0	0.0	0.0
Other non-cash adjustments	(95.0)	(223.8)	(124.2)	(125.5)	(126.7)	(128.0)
NET CASH FROM OPERATING ACTIVITIES	1,423.6	2,500.7	2,376.4	2,387.2	2,916.6	3,374.1
Tax (Paid) / Refunded	0.0	0.0	0.0	0.0	0.0	0.0
Return on Investment and Servicing of Finance						
Interest Received	243.7	349.0	164.2	64.5	55.9	45.3
Interest (Paid)	(1,022.2)	(979.4)	(929.6)	(844.9)	(827.2)	(809.5)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(778.5)	(630.4)	(765.4)	(780.4)	(771.3)	(764.2)
Capital Expenditure & Financial Investment						
Construction or acquisition of Housing properties	(931.1)	(6,787.5)	(363.7)	0.0	0.0	0.0
Improvement of Housing	(595.5)	(1,777.3)	(4,045.0)	(1,755.1)	(2,901.9)	(3,103.4)
Construction or acquisition of other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Construction or acquisition of other Non-Current Assets	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Social Housing Properties	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Land & Buildings	0.0	0.0	0.0	0.0	0.0	0.0
Sale of Other Non-Current Assets	0.0	0.0	0.0	0.0	0.0	0.0
Grants (Repaid) / Received	225.0	3,840.2	178.9	0.0	0.0	0.0
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(1,301.6)	(4,724.6)	(4,229.8)	(1,755.1)	(2,901.9)	(3,103.4)
NET CASH BEFORE FINANCING	(656.5)	(2,854.3)	(2,618.8)	(148.3)	(756.6)	(493.5)
Financing						
Equity drawdown	0.0	0.0	0.0	0.0	0.0	0.0
Debt drawdown	0.0	0.0	7,429.1	0.0	0.0	0.0
Debt repayment	(682.3)	(587.3)	(7,817.8)	(423.1)	(423.1)	(423.1)
Working Capital (Cash) - Drawn / (Repaid)	0.0	0.0	0.0	0.0	0.0	0.0
NET CASH FROM FINANCING	(682.3)	(587.3)	(388.7)	(423.1)	(423.1)	(423.1)
INCREASE / (DECREASE) IN NET CASH	(1,338.8)	(3,441.6)	(3,007.5)	(571.4)	(1,179.7)	(916.6)
Cash Balance						
Balance Brought Forward	13,190.5	13,011.1	9,569.5	6,562.0	5,990.6	4,810.9
Increase / (Decrease) in Net Cash	(1,338.8)	(3,441.6)	(3,007.5)	(571.4)	(1,179.7)	(916.6)
CLOSING BALANCE	11,851.7	9,569.5	6,562.0	5,990.6	4,810.9	3,894.3

ADDITIONAL INFORMATION						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000	£'000
Number of units added during year to:						
New Social Rent Properties added	5	18	17	0	0	0
New MMR Properties added	0	0	0	0	0	0
New Low Costs Home Ownership Properties added	0	0	0	0	0	0
New Properties - Other Tenures added	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0
Total number of new affordable housing units added during year	5	18	17	0	0	0
Units developed for sale:						
Number of units developed for sale to RSLs	0	0	0	0	0	0
Number of units developed for sale to non-RSLs	0	0	0	0	0	0
Development Assumption Indicator	Yes					
Number of units lost during year from:						
Sales including right to buy	0	0	0	0	0	0
Demolition	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
Other	0	0	0	0	0	0
Number of units managed at end of period (exclude factored units)	1,450	1,468	1,485	1,485	1,485	1,485
Units owned:						
Social Rent Properties	1,450	1,468	1,485	1,485	1,485	1,485
MMR Properties	0	0	0	0	0	0
Low Costs Home Ownership Properties	0	0	0	0	0	0
Properties - Other Tenures	0	0	0	0	0	0
Number of units owned at end of period	1,450	1,468	1,485	1,485	1,485	1,485
Financed by:						
Scottish Housing Grants	225.0	225.0	1,913.6	0.0	0.0	0.0
Other public subsidy	0.0	0.0	0.0	0.0	0.0	0.0
Private finance	0.0	0.0	0.0	0.0	0.0	0.0
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Cash reserves	400.0	400.0	3,016.6	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total cost of new units	625.0	625.0	4,930.2	0.0	0.0	0.0
Assumptions:						
General Inflation (%)	4.0	3.3	3.3	2.5	2.3	2.0
Rent increase - Margin above/below General Inflation (%)	0.0	1.0	1.0	1.0	1.0	1.0
Operating cost increase - Margin above/below General Inflation (%)	0.0	0.0	0.0	0.0	0.0	0.0
Direct maint cost increase-Margin above/below General Inflation (%)	10.0	10.0	10.0	4.0	0.5	0.5
Actual / Assumed average salary increase (%)	5.2	6.0	3.3	2.5	2.3	2.0
Average cost of borrowing (%)	5.7	5.4	5.3	4.9	4.9	5.0
Employers Contributions for pensions (%)	9.5	9.5	9.5	9.5	9.5	9.5
Employers Contributions for pensions (£'000)	91.8	97.3	100.5	103.0	105.4	107.5
SHAPS Pensions deficit contributions (£'000)	6.2	7.5	30.0	30.0	30.0	50.0
Min. headroom cover on tightest interest cover covenant (£'000)	856.3	641.1	839.3	855.9	845.8	838.1
Minimum headroom cover on tightest gearing covenant (£'000)	26,613.6	30,927.5	33,793.1	34,934.0	36,820.2	38,837.5

Minimum headroom cover on tightest asset cover covenant (£'000)	35,603.5	41,374.6	45,208.2	46,734.4	49,257.8	51,956.4
Total staff costs (including NI & pension costs) (£'000)	1,273.7	1,427.2	1,487.9	1,540.0	1,590.0	1,637.7
Full time equivalent staff	29.0	29.0	29.0	29.0	29.0	29.0
ESSH Revenue Expenditure included above (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
ESSH Capital Expenditure included above (£'000)	0.0	0.0	0.0	0.0	0.0	0.0
Total capital & revenue expend on maint pre-1919 properties (£'000)	0.0	15.3	125.8	0.4	11.7	7.5
Total capital & revenue expend on maint all other properties (£'000)	595.5	1,762.0	3,919.2	1,754.7	2,890.2	3,095.9
Estimated decarbonisation cost indicator	No					
Estimated decarbonisation cost (£'000)	-					

TRENDS & COMPARATORS

RATIOS	Year -2	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	National Median
	Actual	Actual	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast	
Financial capacity									
Interest cover	467.4%	354.6%	163.109%	290.964%	273.300%	290.176%	359.345%	422.409%	425.2%
Gearing	33.5%	27.3%	33.054%	38.677%	55.097%	50.562%	51.259%	50.661%	44.8%
Efficiency									
Voids	1.1%	1.6%	1.110%	1.478%	0.966%	0.965%	0.966%	0.964%	0.8%
Arrears	1.8%	5.2%	4.153%	1.586%	1.501%	1.485%	1.468%	1.452%	1.9%
Bad debts	0.5%	(1.2%)	1.869%	1.500%	0.975%	0.975%	0.974%	0.975%	0.5%
Staff costs / turnover	21.8%	21.3%	18.223%	19.182%	18.635%	18.626%	18.634%	18.641%	21.0%
Turnover per unit	£4,458	£4,592	£4,820	£5,068	£5,377	£5,568	£5,746	£5,916	£5,571
Responsive repairs to planned maintenance	1.6	1.1	1.5	2.3	4.0	2.4	2.7	2.6	1.6
Liquidity									
Current ratio	5.9	5.0	4.7	4.7	1.5	3.7	3.1	2.5	1.9
Profitability									
Gross surplus / (deficit)	25.4%	25.7%	8.865%	23.737%	17.774%	16.269%	21.079%	24.580%	16.2%
Net surplus / (deficit)	16.0%	14.7%	(2.273%)	15.902%	8.218%	6.858%	12.068%	15.907%	11.1%
EBITDA / revenue	27.8%	29.8%	13.221%	12.546%	(19.962%)	8.653%	1.187%	4.109%	28.8%
Financing									
Debt Burden	3.0	2.8	2.6	2.3	3.1	2.0	1.9	1.8	1.7
Net debt per unit	£4,218	£3,544	£4,232	£5,324	£7,487	£7,239	£7,695	£8,081	£7,062
Debt per unit	£13,390	£12,914	£12,406	£11,637	£16,787	£11,401	£11,056	£10,771	£10,191
Diversification									
Income from non-rental activities	3.4%	4.3%	4.550%	4.137%	2.641%	2.593%	2.550%	2.512%	17.4%
INDICATORS									
Turnover	6,397.6	6,636.0	6,989.5	7,440.4	7,984.5	8,268.0	8,532.8	8,785.3	
Operating costs	3,869.7	3,965.0	5,468.9	4,729.6	5,533.4	5,797.5	5,529.6	5,320.9	
Net housing assets	28,939.5	29,537.1	30,176.5	36,743.9	40,120.6	40,750.4	42,447.7	44,246.1	
Cash & current investments	13,161.5	13,538.7	11,851.7	9,268.3	13,810.2	6,180.3	4,991.8	3,994.1	
Debt	19,213.9	18,660.2	17,988.0	17,083.8	24,928.2	16,930.7	16,418.2	15,995.1	
Net assets / capital & reserves	18,047.6	18,754.5	18,564.7	20,206.9	20,179.1	21,261.7	22,291.4	23,688.9	

Comments

Page	Field	Comment
SOCI	Housing depreciation	The figures provided for Yr0 are from the 4th Quarter Management Accounts and contain estimates at this time, including the final Depreciation figure for the year.
SOFP	Housing depreciation	The depreciation charge for year 0 is currently estimated and may in fact be lower than the projected figure for year 1
SOFP	Loans due after one year	The current RBS Loan matures on 23rd December 2025 - the total reflects the potential for increased borrowings with a new loan
SOCF	Increase / (Decrease) in Payables	The Brixx report did not include Year 0 and as such no Increase/Decrease is calculated in year 1
SOCF	(Increase) / Decrease in Receivables	The Brixx report did not include Year 0 and as such no Increase/Decrease is calculated in year 1
SOCF	Construction or acquisition of Housing properties	triggered by amendment by SHR not clear why
SOCF	Improvement of Housing	In Yr0 the MRI addback is 100%, through discussions with RBS this has been reduced to 50% for Yr1 although we do not as yet have the signed agreement. Once this is through we will be able to revise the Regeneration Plan and bring forward some 'delayed' projects from Yr2 which will reduce the spend in that year and avoid any breaches of the Covenant in that year.
SOCF	Debt drawdown	In Yr2 we will have to repay the outstanding RBS Loan and look to refinance - the actual value of the refinancing will depend on various conditions and requirements prevailing at the time of negotiations
SOCF	Debt repayment	The RBS Loan is due for repayment in December 2025 and potential new debt is estimated at this time and this is reflected in the potential for debt repayments in Years 3,4 and 5. Year 2 is the repayment of the original loan.
SOCF	Balance Brought Forward	Brixx Projected Opening balance of £13011.1 but the

Page	Field	Comment
		reality is £11,851.7
SOCF	Increase / (Decrease) in Net Cash	Brixx Projected Opening balance of £13011.1 but the reality is £11,851.7
SOCF	CLOSING BALANCE	Brixx Projected Opening balance of £13011.1 but the reality is £11,851.7
Additional Information	Other public subsidy	unclear why triggered when amended by SHR
Additional Information	Tot I Cost of New Units	No plans for additional purchases have been agreed at this point Amended by SHR
Additional Information	Rent increase - Margin above General Inflation (%)	the purchase of 18 additional properties in Year 1 will add more than the inflationary increase to Rental Income
Additional Information	Full time Equivalent Staff Curr Year	Each year some staff will receive an uplift on their salary in addition to the agreed overall %age increase
Additional Information	Estimated decarbonisation cost	Decarbonisation cost s are not included this return