



LUTON COMMUNITY HOUSING LIMITED

trading as

SQUARED

FINANCIAL STATEMENTS

For the year ended

31 March 2021

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

CONTENTS

	Page No.
Board members and advisors	2
Report of the Board	3 - 17
Independent auditor's report	18 - 20
Statement of Comprehensive Income	21
Statement of Financial Position	22
Statement of Cash Flows	23
Statement of Movement in Reserves	24
Notes to the Financial Statements	25 - 45

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

BOARD MEMBERS AND ADVISORS

BOARD OF MANAGEMENT

Glyn Early
Peter Rickard (Resigned Feb 21)
David Cheesman
Sarah Markham (Resigned May 21)
Iain Smith
Mostaque Koyes
Vinod Tailor

Chair
Tenant

SECRETARY

Lynda Rees

REGISTERED OFFICE

Bramingham Business Park
Unit B2, Enterprise Way
Luton
LU3 4BU

BANKERS

National Westminster Bank
Park Centre
210 Butterfield, Great Marlings
Luton
LU2 8DL

AUDITORS

Knox Cropper LLP
Chartered Accountants
65 Leadenhall Street
London
EC3A 2AD

SOLICITORS

Perrin Myddelton LLP
10 Waterside
Station Road
Harpenden, Herts
AL5 4US

REGULATOR OF SOCIAL HOUSING REGISTERED NUMBER

L1518

CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014 NUMBER

19688R

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD

The Board presents its report and the audited financial statements for Luton Community Housing Limited trading as Squared ("the Association") for the year ended 31 March 2021. The Association is a Co-operative and Community Benefit public entity.

Principal activities

The principal activities of the Association, are the provision, management and maintenance of social housing, including support, advocacy, human resources, cleaning and gardening and advice services for the local community.

During the year under review the Association has consolidated the diversification into two new areas commenced last year: cleaning and gardening services for other local organisations and a social lettings agency (a part of Squared but trading as Lettings Squared). Our mission is summed up as "Homes, Support, Opportunity" and, as with all areas of our work, the new areas of activity have been undertaken to improve life opportunities for our customers. The cleaning and gardening service offers employment and training for our customers, while the lettings agency offers more opportunity to rent from a decent, ethical landlord in the private market. Lettings Squared has seen a significant increase in properties this year and it has become self-financing providing surpluses to be reinvested in our general services.

Squared also commenced a joint venture called Luton Lets Squared in partnership with Luton Borough Council.

Our customers generally prefer to feel they are contributing members of society rather than receiving charity via subsidised rents and benefits. In the long term it is more advantageous to both our customers and the economy if we can assist people to obtain training, leading to permanent employment and we will continue to seek opportunities to do this through another new service being introduced of Purposeful Employment.

Review of the business

The Association made a surplus of £325,619 in 2021 compared with £24,684 in 2020 with reserves of more than £2m. This surplus is generated from a turnover of £6,696,988 (2020: £6,198,508). The Association continued to meet funding covenants in 2020-21.

Capital assets

Housing properties are included on the balance sheet at their net book value, after the deduction of depreciation, of £26,591,084 (2020: £25,972,948).

	2021		2020	
	£		£	
Historical cost	32,680,686		31,794,706	
Depreciation	<u>(6,089,602)</u>		<u>(5,821,758)</u>	
Depreciated cost	26,591,084		25,972,948	
Financed by:				
- Grants	12,636,096	(38%)	12,867,918	(40%)
- Loans	12,954,748	(40%)	13,264,248	(42%)
- Reserves	2,468,272	(8%)	2,142,659	(7%)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Post Balance Sheet events

There are no post balance sheet events to report.

Prior Year Adjustment

There are no prior year adjustments to report.

Tenants

In April 2021 rent policy maintained at an increase of CPI plus 1% and service charges at CPI in accordance with Government legislation for both general needs and supported housing activities.

The Association has continued to use Language Line and Luton Interpreting and Translation Services (LITS) to assist in communicating with tenants whose first language is not English.

Our Customer Relationship Managers (CRMs) use a tenancy credit check tool to monitor tenant financial stability, this tool is also used to detect fraudulent tenancies. The aim is to identify tenants in financial distress and provide the necessary support to them to improve their circumstances.

We have continued to improve take up and expanded the service of our tenant portal (My Home). We have 267 registered members so far, tenants are paying rent through, reporting repairs, using online forms and making suggestions using our tenant portal.

Tenants experiencing the effects of the bedroom tax and benefit cap have been referred to external agencies who have experience in this area for assistance. We have continued working closely with our tenants impacted by the Universal Credit changes taking place.

At Robert Allen Court, our sheltered housing scheme, there are monthly tenant meetings and regular coffee mornings.

Early 2019-20 the Association carried out the full STAR tenant satisfaction survey, the results have been analysed and are being used to assess levels of customer satisfaction in all areas of the business and to inform future improvements to services and accommodation.

Funding

Most recent loan arrangement for £5 million was signed with RBS on the 11 January 2019 against the same properties already charged to RBS. This will enable the Association to continue to develop and purchase additional housing property stock during the year coupled with capacity for future opportunities. This brings total borrowings to £16M.

At the 31 March 2021, the Association had over 300 unsecured properties available to offer as loan collateral, with management's internal estimate of open market value of £50 million.

The open market value is not used for accounting purposes and does not reflect our intention to hold assets for social housing purposes, however, it provides an indication of the worth of the housing property assets of the Association, should these assets be made available for sale with vacant possession in the open property market.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Maintenance and major repairs

The Association is committed to maintaining and improving its stock. Excluding overheads, £16,606 (2020: £Nil) was spent on major repair expenses, and £403,719 (2020: £497,421) on responsive and planned maintenance. With a further £267,437 (2020: £225,904) on component replacements. We spent £39,793 (2020: £113,503) on structural capital improvements required to improve the existing useful lives of specific properties.

The in-house team includes two kitchen fitters, two maintenance officers (painting and decorating), one maintenance officer (day to day repairs) and one property inspector.

Our maintenance team presses ahead with routine and emergency repairs, despite Covid-19 fears, and they have been working hard all year to keep our customers and homes safe and in good repair. We continued to maintain our estate and carried out the compliance checks.

We ensured a regular supply of PPE to staff and adopted all government guidelines to keep them and customers safe.

We carried out boiler replacements in a number of properties to ensure that our tenants continue to live in warmth during the winter period. We have continued to review our stock component data to support our work in complying with the Energy Efficiency Standard for Social Housing (ESSH).

SHIFT (Sustainable Homes Index for Tomorrow)

Squared is looking to make environmental improvements and wish to start off by examining the energy efficiency of all our homes. Not only will this help reduce CO2 emissions, but it will also help reduce customers fuel bills.

We have commenced an EPC analysis of all our stock – This will enable us to upgrade our least efficient homes to ensure they meet regulations and achieve a higher EPC rating of C by 2030 in line with the decent home 2.

We are planning a retrofit programme to make our existing homes warmer in winter, cooler in summer with better indoor air quality so our customers are able to save money on their energy bills and stay healthy.

Technology pilot projects

Smart meters are being rolled out across every home in the UK and such smart technologies have started to play a key role in helping customers become more aware of their energy use. This has been rolled out in 34 across our General Needs properties.

We have also introduced Switchee 'smart thermostat' as a pilot project, which have been installed in 16 of our homes with 12 more to be rolled out.

Switchee measure temperature, humidity and movement in a property, optimising the heating system to reduce energy waste, as well as highlighting risks of damp or overheating.

We have recently amalgamated the maintenance and repair department with the cleaning & gardening service for a more efficient service delivery and given our customer a new, improved experience.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Staffing

Leadership Team (LT)

The Leadership Team include the Chief Executive, Lynda Rees, Deputy CEO, Kierson Benfield, Human Resources Director, Claire McDonald.

Operational Team (OT)

Operational Team (OT) is made up of senior and junior managers and manage the operational link between the Leadership Team and the rest of the work force.

Continuing professional and job-related development throughout the organisation

In a year when face to face training was not possible, we maximised the use of e-learning and virtual delivery of workshops to keep team members engaged and developed.

We used the opportunity to get all employees refreshed in mandatory subjects, including H&S, Housing Law, and other professional development sessions. We continued our commitment to inclusion through Unconscious Bias training for all team members and managers.

We supported employee wellbeing through an e-learning Wellbeing Resource pack provided by Virtual College as well as delivered virtual sessions to develop resilience in a difficult time.

Our bi-annual mandatory training programme for our Homes with Support team continued and when possible professional certificates on Chainsaw usage were achieved by the gardening team

In 2020-21, we continued to provide 14 organisations with advice and support from our HR Services, with a combination of clients under our "premium" HR Services package (monthly retainer/scheduled on-site visits) and ad-hoc support packages, which resulted in an approximate number of 150 employees being supported in addition to the workforce at Squared. We gained a further 2 clients requiring ad-hoc support through word-of-mouth recommendation.

Property Purchases and Sales

One property was purchased in Luton at a cost of £400K for our general needs stock. Land was purchased for development at a cost of £271K. One property purchased recently was not economical to renovate and was sold for £232K, a loss of £18K. There was no government grant attached to this property. Another property was sold to the occupants for £695K, a gain of £520K. This property has social housing grant attached of £180K which will be recycled in accordance with Homes England requirements.

Private Leasing Scheme

For this scheme the Association leases properties as temporary accommodation, from private landlords and lets them to people nominated by Luton Borough Council from their homeless families waiting list and from the Single Homeless Prevention Team. As at 31 March 2021 there were 225 units in management (2020: 242), 54 units of these properties are owned by the Association (2020: 58). There were 2 new leases with private landlords signed (2020: 17), 16 landlord lease agreements ended (2020: 19) and 37 leases were renewed (2020: 40). These properties require intensive housing management in accordance with the needs of the client group. Twelve of the 16 leases ended have been transferred to the LLS joint venture (2020: 8).

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Hostel projects managed by our in-house team

In the year to 31 March 2021, the six in-house managed projects showed a surplus of £425,310 (2020: 297,959) (excluding central costs and financing costs), before mortgage repayments and contribution to central costs and sinking funds. Turnover was £835,692 (2020: £809,070) and operating costs were £410,382 (2020: £511,111). The Supported Housing steady-state contracts were reduced from £300k to £252k for 2020-21 and then reduced again from £252K To £181k for 2021-22. This is one of the Covid-19 impacts affecting income available to Luton Borough Council from the Luton London Airport, resulting in some tough decisions having to be made by the Local Authority.

Lettings Squared

Created in January 2016 (with an official launch in May 2016) to provide a social lettings agency in Luton and surrounding areas, combined with our existing Private Leasing Scheme. We have continued offering landlords the choice of long-term lease contracts and property management services, so that we can utilise the properties to meet the housing needs of local people.

Lettings Squared also provides accommodation rented to private landlords to local charity named NOAH to be made available to Europeans with no recourse to public funds.

Luton Lets Squared (LLS)

Lettings Squared is also responsible for managing the new joint venture in partnership with Luton Borough Council known as Luton Lets Squared (LLS). This service leases properties from private landlords to provide to LBC as accommodation for homeless people. There are 58 properties in the joint venture by 31 March 2021 (2020: 14).

Supported Housing

Supported Housing department continued their working with the local authority, Luton Borough Council, providing support to Unaccompanied Asylum Seeking Children (UASC. Properties in use were leased from Private Landlords on behalf of Supported Housing department.

Next Steps Accommodation Program

Homes England funding of £73,200 capital grant was receivable in 2020-21 for a conversion of the Wellington Street office building into 3 studio flats. This is part of the Next Steps Accommodation Program in partnership with Luton Borough Council to provide more security for tenants and enhance the already existing pathways.

Homes England revenue funding of £108,808 was agreed in the year. to fund a new role offering Intensive Floating support and Housing Management, over 3 years. not only the 3 new tenants housed in Squared Next Steps Accommodation apartments but to all of Squared 230 tenants who are within 6 months of move on. Which will free up the existing Pathways more quickly.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Cleaning and Gardening Squared (CGS)

In the year to 31 March 2021, Cleaning Gardening Squared social enterprise showed a surplus of £10,029 (2020: deficit of £26,131). Turnover was £285,167 (2020: £259,473) and operating costs were £275,138 (2020: £285,604).

Trading as a department of Squared and operating as a social enterprise, CGS has continued to empower its tenants/residents that are currently unemployed or those that experience long-term unemployment and some of the hard-to-reach individuals within the local communities by providing sustainable employment program and unique training opportunities. Beneficiaries have acquired accredited cleaning and gardening qualification through a targeted training and certificated programme.

Beneficiaries have also received support resulting in the improvement to their accommodation status and they are also provided a flexible work patterns to allow them to meet other commitments such as childcare.

As a social enterprise, all surpluses are being re-invested into the business to fund additional support services to our tenants, residents, and the local community, such as the "Help for the Helpless" a community service to support tenants over 55 years with skeletal impediment in maintaining their gardens for free.

CGS has continued to meet its set targets in this financial year in terms of service delivery in the face of the Covid 19 pandemic. Staff were provided adequate PPE and all government guidelines were followed to keep staff & customers safe.

The enterprise has been providing essential cleaning and gardening service to our in-house maintenance team to improve the quality and cleanliness of our communal areas. The tree surgery that was introduced in the last financial year has taken off well. The service has helped to maintain overgrown trees in all our estates at a moderate cost, thereby creating value for money for Squared.

To enable us to combat the coronavirus and other infections in our shared properties i.e. the HMOs and Hostel accommodation, we recently introduce A Chemical Fogging Machine as part of our deep cleaning service.

This method of sanitization enables us to disinfect a large area thoroughly in a small amount of time. It significantly reduces the number of viable infectious pathogens, by treating the surfaces and the air within the environment.

Community Investment Projects

Tool bank

To get this initiative off the ground we received donations of gardening equipment from George Brown in Leighton Buzzard to help launch the project. Rest of the equipment was purchased by the Association.

The Tool Bank is for the tenants of the Association to borrow garden tools and equipment to help maintain and improve their gardens for free.

Once launched, we are initialling anticipating that 20% of our tenants and residents would benefit from the scheme and expect this to grow significantly over time.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Housing for older people

There were 28 properties in Luton designated for older people in 2021 (2020: 28), for whom we provide a visiting warden. There are also eight one-bedroom flats in Barton-Le-Clay for elderly persons who are independent and do not need a visiting service or warden. Another twelve 1-bedroom flats are provided for the over 50s group in Farley Hill.

Quality of services

The Association strives to provide quality services, matching or exceeding the best. We do this through a committed and well-trained staff team, which also reflects the local community and our customers. To test the quality of our services we have applied for accreditation through external assessments as follows:

i. Investors in People

In March 2020, Squared was proud to be reaccredited as an Investor in People maintaining our Gold standard. Our annual review meeting continued to provide positive feedback on our progress. We are now developing an action plan for reaccreditation in 2022 with a view to strive towards IIP Platinum.

ii. Leaders in diversity

To test our performance in the way we manage diversity throughout the organisation, this recognises those organisations that have performed particularly well in EDI and benchmarks them against others.

Very few organisations in Luton have achieved this level of recognition of their approach to diversity and nationally only a few organisations have achieved Leaders in Diversity. Squared is proud to use the logo on all our paperwork and has achieved number 30 in 2021 (2020: 42) in the National Centre for Diversity Top 100 organisations. In addition, in 2020-21, the Association was shortlisted and won in the innovative project category for our new Purposeful Employment service.

Purposeful Employment

The purpose of the Purposeful Employment service is to establish great links with access to external training and education to refer and signpost our customers to. The service day to day operations have predominantly been delivered by Student Social Workers. During the time Purposeful Employment has been mobilised Students have provided support with case management and customers 1-2-1- interventions. We have provided 7 students with placements which in turn has provided Purposeful Employment with approximately 3,500 hours of free support work.

The Board

During the year there was no additions to membership of the Board of Management. The tenant board member resigned from the Board of Management. The 5 year business plan continues to be reviewed and updated by the Board. The Association is actively seeking new board members, with specific skills to help it achieve its vision. New board members with relevant knowledge and experience as well as tenant board members are always sought and applications are welcomed. There are currently 6 board members. There are vacancies for up to 6 more members, especially tenant board members.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Statement of the board's responsibilities

The Board of Management is responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and regulations.

The law requires the Board of Management to prepare financial statements for each financial year. Under that law the Board of Management has elected to prepare Squared financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The Board of Management must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period.

In preparing these financial statements, the Board of Management are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board of Management is responsible for keeping adequate accounting records that are sufficient to show and explain Squared transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing 2019 and the Statement of Recommended Practice: Accounting by registered social housing providers (SORP 2018). They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As part of the Squared corporate strategy, the organisation commenced a community service project in the form of a social enterprise in March 2015 referred to above as the Cleaning and Gardening Squared. The primary aim of this project is to support our tenants and residents and other long-term unemployed people from the Luton community through a 'people development' programme that offers a workable alternative to continued unemployment, low incomes and welfare dependency. It also offers an innovative training programme that improves skills and qualifications among beneficiaries, which also provide flexible pathways for career progression. Our tenants have already successfully seized the opportunities to try to better their current situation.

Going Concern

The Board has a reasonable expectation that the Association has adequate resources to meet committed contractual expenditure and all known liabilities as they fall due and to continue in operation for the foreseeable future.

The Board continues to adopt the going concern basis for preparing the financial statements

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Internal Control

The Board acknowledges that it is responsible for the system of internal control within the Association and for reviewing its effectiveness. The Board recognises that such systems are designed to manage rather than eliminate risks of failure to achieve the business objectives of the Association. Such systems can only provide reasonable rather than absolute assurances against material misstatements or losses.

The process for identifying, evaluating and managing significant risks faced by the Association is ongoing and has been in place for the year under review, and up to the date of approval of the annual report and accounts. The process is regularly reviewed by the Board and managed by the Management Team.

The Board has retained the management authority for reviewing the internal controls systems. The Board reviews policies regularly and a cycle has been established to ensure this regular review continues.

The following policies and procedures are in place to support the Board's assurance on internal controls:

- Code of governance
- Commitment made to "NHF Code of Integrity at Work" by each staff member
- Complaints
- Conflict of Interest
- General Data Protection Regulations
- Delegated Authorities
- Disciplinary
- Equal Opportunities
- Financial Regulations
- Gifts and Hospitality
- Health & Safety
- Internal Fraud
- Probity and Propriety
- Programme of independent Internal Audit
- Risk Management
- Whistle-blowing

An internal audit is carried out periodically by an independent organisation. The last review took place in March 2018.

Since 2019-20, we have an in-house internal auditor employed on a part time basis to carry out this function.

The Board have not had to deal with any material internal control problems in the year. The Management Team would highlight such problems to the Board and an action plan for the Management Team to carry out would be agreed at Board level. There are no regulatory concerns currently outstanding with the Regulator of Social Housing and the Board is satisfied that the internal controls are constantly being reviewed to identify areas of improvement.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Risk

The Board accepts that no organisation can provide a service, and grow, without taking some risk. Therefore, on an annual basis, the Board reviews the risks faced by the Association, and are satisfied that the risk management is adequate and is continuously under review.

Governance

The Board adopted the NHF Code of Governance 2020 at the June 2021 board meeting. The Board considers that the Association meets the requirements of both the NHF Code of Governance and HCA governance and viability standard with the following minor exceptions:

- **Compulsory retirement of board members after 3 full terms (9 years).**

Two co-opted Board members have completed more than 9 years service and have not retired at the following Annual General Meeting. The Board feels that the 9 year service rule is difficult for a small association to achieve without depleting the board of valuable skills and stability. The Board therefore intends to continue re-appointing longer term members as co-optees for as long as it is of benefit to the Association. The Board continues to seek additional board members with appropriate skills and knowledge and the skills and commitment of long-standing Board members is valued along with the continuity and stability that this provides.

- **Strategy for board renewal**

The Board has not recruited any new members during the past year. A potential new board member, who has a wealth of related experience, attended the August meeting as an observer with a view to joining our board of management.

Brand Project

Over the last year we've continued working on a brand project to bring consistency to our identity acting as a platform to build from to raise the profile of the company to create improved brand awareness locally. It had become apparent that the name, Luton Community Housing Limited, had limited flexibility and there was a lack of recognition making it clear a new name was needed. The new trading name had to be flexible with the other services, be brave, be bold and stand out in a busy housing association sector but illustrate the supportive offering and character of the company. From September 2019 the company became known as and traded as Squared. The company's trading name with the registered name remaining as Luton Community Housing Limited for the time being. The company's strapline will be to the 'to the power of you' and individual identity logos have been created as identifiers for different areas of the business i.e. Cleaning and Gardening Squared and Lettings Squared. We firmly believe that the new name reflects our offering and everything we do, when a number is squared it is a multiple of itself – it's more.

We now have clear, comprehensive brand guidelines to ensure consistency and in addition a new website has been created to reflect the new identify and branding. This new digital platform together with the tenant portal is a valuable digital asset acting as the shop window for the business.

We are planning to run an external event around increasing awareness of the brand. We are working to increase our digital footprint through utilising digital marketing to communicate with our customers and raise our profile through social media platforms, video content and email.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Value for money (VfM)

The Value for Money (VfM) standard was issued by the Regulator of Social Housing (RSH) with effect from 1 April 2018 and updated in 2019. The new standard requires that registered providers must:

clearly articulate their strategic objectives

have an approach agreed by their board to achieving VfM in meeting these objectives and demonstrate their delivery of VfM to stakeholders

through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs

ensure that optimal benefits is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives

Squared is committed to providing good quality homes for rent. Within this we will deliver excellent and responsive services to our residents, which enable them to live independently and to contribute towards their communities. We will be guided by the principles of economy, effectiveness and efficiency. We will aim to get the best use of all of the resources available to us.

By considering VfM, we will be able to provide high quality services to our residents at the lowest possible cost with the best possible outcomes. We will seek to maximise our income and minimise our costs. We will use the resulting operating surpluses to provide new homes, improve existing homes and provide services of genuine value to our residents and to the wider community.

The Board will review their approach to achieving VfM alongside the Strategic Team. In both its day to day and strategic operations, the Association will consider what financial, social and environmental returns are achieved, how these can be maximised and what alternative actions can be implemented. Our primary focus will be on quality, costs, performance, social and environmental considerations.

Squared key objectives in seeking VfM are:

Maximising income streams and ensuring best value is achieved from all of our assets and activities

Maximising income opportunities for our residents, through our existing and new partnerships

Maximising staff and contractors' awareness of our commitment to VfM and shaping services and outputs as a result

Both working with and receiving feedback from residents in identifying, implementing and reviewing services and VfM in these

The Association will formally review its performance on VfM, including VfM metrics set up by RSH, and report this to the Board annually.

Peer Group Benchmarking

Squared is a member of a benchmarking group Acuity London Group (ALG). Our performance data is submitted to SPBM (Skills and Projects Benchmarking Group) run by Acuity in partnership with HouseMark. We monitor our performance with ALG because we recognise that some more useful insight can be gained from comparing ourselves with organisations operating in inner London boroughs. Specialist benchmarking clubs offer the opportunity to meet with colleagues from similar organisations facing similar challenges to network, share ideas and to learn from each other.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Peer Group Benchmarking (continued)

The sector scorecard results for our benchmarking group are published below.

Activity Report for 2020/21 Generated on 29/09/2021 by Jacky Constantine																											
SS	HA Name	Ratio of responsive repairs to planned maintenance	Management cost per unit	Maintenance cost per unit	Major repairs cost per unit	Service charge cost per unit	Other social housing costs cost per unit	Operating margin (overall)	Operating margin (social housing lettings)	EBITDA MRI (as a percentage of interest)	Gearing (RSH and Scorecard measure)	New supply delivered (Social housing units)	New supply delivered (Non-social housing units)	Reinvestment %	Return on Capital Employed (ROCE) %	Headline social housing cost per unit	£ Squared	Rank	Quartile	Peergroup lower Q	Peergroup median	Peergroup upper Q	HA SPBM quartile	£ PBM lower Q	£ PBM median	£ PBM upper Q	
SS 403																		1	6	4	0.71	0.58	0.48	3	1.1	0.68	0.45
SS 502																		3735	9	4	1726	1510	898	4	1621	1145	673
SS 503																		495	2	1	1524	1235	740	1	1235	913.72	676.09
SS 504																		349	3	1	1025	418	349	2	867.72	601	333.96
SS 505																		612	5	2	876	612	557	3	977.18	557	223.72
SS 506																		1688	2	2	2163	1869	1065	4	1176.37	241.42	71.5
RSH 101	Regulator for Social Housing																	2.5	12	4	5.3	26.8	31.6	4	7.65	20	26.8
RSH 102																		-1	12	4	10.93	25.86	33.54	4	10.9	20.6	28.93
RSH 103																		22	N/A	N/A	139.55	266	431.68	N/A	204.5	350.7	800.49
RSH 203																		47	N/A	N/A	17.75	27.01	42.2	N/A	0	12.95	28.83
RSH 204																		1.8	4	2	0	0.88	3.05	1	0	0	1.48
RSH 205																		0	3	1	0	0	0	1	0	0	0
RSH 304																		3	4	2	0.4	1.44	4.83	2	1.15	2.17	6.4
RSH 401																		2.2	7	3	1.98	2.49	2.74	3	1.78	2.7	3.8
RSH 501																		6878	9	4	6552	5585	4907	3	6885	4915	3588



Key: GN – General Needs
HFOP – Housing for Older People

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Peer Group Benchmarking (continued)

Areas we are targeting for improvement highlighted by our benchmarking activities

- Relet times went up, mainly due to the restrictions on lettings due to the Covid-19 pandemic.
- Repair times increased this year due to several changes in staff and management, however, the impact of Covid-19 is also difficult to strip out in existing data. We have recently employed additional repair staff, as well as a new repairs manager. Our maintenance team are working hard to make the necessary improvements.
- There were a large number of staff who had long term absence or collective high levels of absence. Worryingly this was not due to Covid-19. Our People Excellence Team is working to address this.
- We acknowledge a high management cost due to our Supported Housing and Coaching activities as well as our efforts to automate all our processes using technology to create a flexible agile workforce better able to serve the needs of our customers in future.

Other Vfm activities

Below there are some key metrics that are used to monitor the outcomes from our Vfm activities.

Return on assets

RETURN ON ASSETS	31 March 2021	31 March 2020
Tangible fixed assets	£27,840,641	£27,397,854
Surplus for the year	£325,619	£24,684
Return on Net Assets	1.17%	0.10%
Return on Capital Employed	2.20%	2.25%

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Ongoing VfM activities (continued)

Cost of delivering services

FINANCIAL RATIOS	31 March 2021	31 March 2020
Total borrowing to Net Worth (excluding acquisition costs)	0.56	0.58
Total borrowing to Net Worth (including acquisition costs)	0.84	0.88
Operating profit to Interest Payable	2.19%	1.76%
Existing Use Value of charged properties to outstanding debt	115%	112%

Value for money improvements during 2020-21

- Management programme is underway for senior managers.
- Review of organisation structure to ensure we have the right people with the right roles in place as Squared.
- Use of Virtual College online for e-learning. Saves approx. 75% of running face to face training sessions.
- Repairs guide was printed, saving money on repairs that are the tenant's responsibility.
- Continuing improvements to cloud server storage and managed IT (computer and telephone) services, leaving staff free to work with more reliable and standardised equipment and tools in order to be more efficient.
- Our IT set up allowed employees to continue working from home through self-isolation and/or mild illness therefore minimising impact of Covid-19 on productivity. Employees who don't usually work from home were able to carry out e-learning or other tasks to ensure they could continue to work when required to self-isolate.
- Continued subscription to Perkbox staff benefit scheme and staff incentive scheme as part of our investment in staff to improve retention and reduce staff turnover.
- Use of Workplace for internal communication, which is free for non-profit organisations. Usual cost would be £4 per person per month. Value for Money gain of £3,840 each year.
- Carried out former tenant searches using our database Insight which makes savings on each search.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

Ongoing Vfm activities (continued)

- Use of Networx system for recruitment, removes the need to purchase a separate candidate management system. Value for Money gain of £5k minimum annually.
- Carry out benchmarking to other similar organisations in order to compare, obtain new ideas and carry out improvements.
- Cleaning and Gardening Squared (CGS) social return on investment (SROI) from last year's budget (budget : social impact) indicates that for every £ spend, 21p is used to create social impact for the community.

Priorities for 2021 - 22 are to;

- Continue to evaluate all new projects and activities financial appraisal techniques.
- Seek out new business opportunities to supplement our income.
- Continue to progress mobile working philosophies for customer facing staff.
- Map processes organisation wide to improve efficiency.
- Continue to consult with tenants to stay up to date with their needs and priorities and satisfaction levels.
- Ongoing installations of Switchee devices as a pilot programme in 20 of our properties. This is a smart thermostat that will enable us to monitor our properties pressure, temperature, occupancy and condensation levels. There will also be a benefit to customers as it can help regulate heating and lower their bills.
- Purchasing new housing and finance system from Castleton to speed up all processing across all departments.
- Continue the expansion of CCTV provision at all our properties, which will save us money in the long run when we have incidents of ASB and rubbish dumping.
- Continuing the management programme to improve the management skills of managers at Squared.

By order of the Board of Management

Glyn W Early

Glyn Early
Chairman

Lynda Rees

Lynda Rees
Secretary

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LUTON COMMUNITY ASSOCIATION LTD TRADING AS SQUARED**

Opinion

We have audited the financial statements of Luton Community Housing trading as Squared for the year ended 31st March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Capital and Reserves and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31st March 2021 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Board, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LUTON COMMUNITY ASSOCIATION LTD TRADING AS SQUARED (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities the Board is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 83 of the Co-operative and Community Benefit Society Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Association and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Co-operative and Communities Benefit Societies Act 2014, and the Housing and Regeneration Act 2008.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

LUTON COMMUNITY ASSOCIATION LTD TRADING AS SQUARED (continued)

- We understood how the Association is complying with those frameworks via communication with those charged with governance, together with the review of the Association's documented policies and procedures.
- We assessed the susceptibility of the Association's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with revenue recognition, application of accounting estimates, management override of controls and the increased incentive and pressure to commit fraud due to the Covid-19 environment, which were discussed and agreed by the audit team.
- Our approach included agreeing the Association's recognition of income to the terms of tenancy agreements, reviewing the assumptions used and controls applied in the calculation of accounting estimates, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the board members with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Association.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report or for the opinion we have formed.

Knox Cropper LLP

Knox Cropper LLP
Chartered Accountants and Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD

Date **30** September 2021

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	2(a)	6,696,988	6,198,508
Operating costs	2(a)	(6,578,540)	(5,807,661)
Other operating income		42,854	-
Gain/(loss) on property disposal		<u>438,267</u>	<u>3,917</u>
Operating surplus		599,569	394,764
Interest receivable and other income	5	315	2,605
Interest payable and similar charges	6	(274,265)	(372,685)
Surplus for the year		<u>325,619</u>	<u>24,684</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>325,619</u>	<u>24,684</u>

These financial statements were approved on 30 SEPTEMBER 2021 and were signed by:
Lynda Rees

Secretary

David Cheesman

Board member

Glyn W Early

Chairman

The notes on pages 25 to 45 form part of these accounts.

A statement of movement in reserves is set out page 24.

The results for both years are wholly attributable to continuing activities.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

STATEMENT OF FINANCIAL POSITION at 31 MARCH 2021

	Notes	2021 £	2020 £
Tangible fixed assets			
Housing properties	10	26,591,084	25,972,948
Investment properties	19	426,712	426,712
Intangible fixed assets	10	77,820	-
Other tangible fixed assets	10	745,025	998,194
		<u>27,840,641</u>	<u>27,397,854</u>
Current assets			
Debtors due within one year	11	820,358	605,099
Cash and cash equivalents		544,093	1,055,163
		<u>1,364,451</u>	<u>1,660,262</u>
Creditors: amounts falling due within one year	12	<u>(1,440,960)</u>	<u>(1,256,621)</u>
		(1,440,960)	(1,256,621)
Net current assets/liabilities		<u>(76,511)</u>	<u>403,641</u>
Total assets less current liabilities		<u>27,764,130</u>	<u>27,801,495</u>
Creditors: amounts falling due after more than one year	13	(25,295,858)	(25,658,836)
Total net assets		<u>2,468,272</u>	<u>2,142,659</u>
Capital and reserves			
Non-equity share capital	14	14	20
Revenue reserve		2,468,258	2,142,639
Restricted reserve		-	-
Total net assets		<u>2,468,272</u>	<u>2,142,659</u>

These financial statements were approved on 30 SEPTEMBER 2021 and were signed by:

Lynda Rees

Secretary

David Cheesman

Board member

Glyn W Early

Chairman

The notes on pages 25 to 45 form part of these accounts.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

STATEMENT OF CASH FLOWS for the year ended 31 MARCH 2021

	Notes	2021 £	2020 £
Net cash generated from operating activities	17	<u>474,626</u>	<u>769,626</u>
Cash flow from investing activities			
Purchase of other fixed assets		(75,298)	(212,215)
Purchase of tangible fixed assets		(1,256,075)	(1,957,458)
Purchase of intangible fixed assets		(77,820)	-
Purchase of investment properties		-	-
Social Housing grant		69,540	-
Disposal Proceeds		937,407	176,049
Interest received		315	2,605
		<u>(401,931)</u>	<u>(1,991,019)</u>
Cash flow from financing activities			
Interest paid		(274,265)	(372,685)
New loan drawdown		-	3,000,000
Loan repaid		(309,500)	(496,001)
		<u>(583,765)</u>	<u>2,131,314</u>
(Decrease)/increase in cash		<u>(511,070)</u>	<u>909,921</u>
Cash and cash equivalents at start of the year		<u>1,055,163</u>	<u>145,242</u>
Cash and cash equivalents at end of the year		<u>544,093</u>	<u>1,055,163</u>

Analysis of changes in Net Debt

	Brought Forward 01/04/2020	Cashflows	Other non-cash Changes	Carried Forward 31/03/2021
Cash and cash equivalents	1,055,163	(511,070)	-	544,093
Borrowings				
Debt due within one year	(309,500)	-	-	(309,500)
Debt due after one year	(12,954,748)	309,500	-	(12,645,248)
	<u>(13,264,248)</u>	<u>309,500</u>	<u>-</u>	<u>(12,954,748)</u>
Total	<u>(12,209,085)</u>	<u>(201,570)</u>	<u>-</u>	<u>(12,410,655)</u>

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES for the year ended 31 MARCH 2021

	Share capital £	Restricted reserve £	Revenue reserve £	2021 Total £	2020 Total £
Reserves					
Balance at 1 April	20	-	2,142,639	2,142,659	2,117,975
Total comprehensive income for the year	-	-	325,619	325,619	24,684
Adjustment	(6)	-	-	(6)	-
Transfer between reserves	-	-	-	-	-
Balance at 31 March	<u>14</u>	<u>-</u>	<u>2,468,258</u>	<u>2,468,272</u>	<u>2,142,659</u>

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2021

1. Legal Status

Squared is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 with the Financial Conduct Authority and is a registered provider of social housing within the Housing and Regeneration Act 2008. Squared is registered with The Regulator of Social Housing (RSH).

Squared principal activities are stated in Report of the Board of Management on page 3.

Squared registered office is Bramingham Business Centre, Unit B2, Enterprise Way, Luton, LU3 4BU.

2. Principal Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Squared financial statements.

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards, "FRS102", the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Statement of Recommended Practice for Accounting by Registered Social Housing Providers (SORP 2018) under the historical cost convention and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019 ("the Direction").

In accordance with FRS102 (3.3A), Squared is a public benefit entity that has applied the "PBE" prefixed paragraphs.

The financial statements have been prepared under the historical cost convention as modified by the valuation of certain assets in accordance with Squared accounting policies.

The financial statements are presented in sterling (£).

The principal accounting policies of Squared are set out on the following pages.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2021 (continued)

2. Principal accounting policies (continued)

Turnover

Turnover represents rental income receivable, supporting people income, fees and revenue grants receivable from local authorities (Luton Borough Council and Central Bedfordshire Council), Public Health Luton and Big Lottery Fund Grant from The Big Lottery for the Open Minds Project. supporting people income is made up of grants received from Luton Borough Council.

Rental income is recognised on the basis of the amount receivable for the year. Rental income received in advance is disclosed within the creditors in the balance sheet.

Service charge income is accounted for on the basis of the value of goods or services supplied in the previous period. Any over or under recovery of service charge amounts due is reflected in the service charge income in the following year.

Government Grant received is amortised to income over the useful life of the structure of the property.

Fixed assets and depreciation

Housing properties are held for the provision of social housing or to otherwise provide social benefit. Housing properties are stated at cost less depreciation and impairment. The Association accounts for its expenditure on housing properties using component accounting. Under component accounting the housing property is divided into those major components which are considered to have substantially different useful economic lives. These components are then depreciated over their individual useful economic lives. The particular components useful economic lives when new are as follows and are capitalised at purchase cost:

Land	Infinite
Structure	100 years
Windows	30 years
Central Heating	15 years
Bathroom	30 years
kitchen	20 years
Wiring	30 years
Roof	50 years

Where land cost is not known, an estimate is based on the matrix issued by the National Housing Federation using the Property Market Report from the Valuation Office.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2021 (continued)

2. Principal accounting policies (continued)

Fixed assets and depreciation (continued)

Expenditure on items not separately identified as components are capitalised if they result in incremental future benefit, for example an increase in the net rental stream over the life of the property, and the carrying amount of any replaced components or part component is written off.

65 London Road

Depreciation of the refurbishment costs of 65 London Road is on a straight line basis over 15 years, being the length of the lease with Luton Borough Council.

Unit B2, Bramingham Business Park

This property is used for administrative purposes and is also rented out to external tenants. The part used for administrative purposes is classified as property, plant and equipment with depreciation on a straight-line basis over 100 years after deducting the land cost. The part rented out is classified as an investment property.

Properties in the course of construction are stated at cost and are transferred into housing properties when completed.

Other fixed assets are stated at cost less accumulated depreciation and impairment. A full year's depreciation is charged in the year of purchase, but no charge is made in the year of disposal. Depreciation is charged on an annual basis as follows:

	Rate	Basis
Office improvement works (leasehold office at 108 Wellington Street)	4%	Over life of lease
Office/computer equipment	10%/33%	Straight line
Property fixtures & fittings	25%	Straight line
Motor vehicles	25%	Reducing balance
Website development	20%	Straight line

Investment property

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised as part of the income statement.

Intangible fixed assets

Intangible fixed assets are non-monetary asset without physical substance which are measured at cost and will be written off as benefits are derived as follows:

	Rate	Basis
Software	20%	Straight line

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2021 (continued)

2. Principal accounting policies (continued)

Government grant

Government grant is a grant from Homes England to reduce the capital cost of social housing developments.

Government grant comprises social housing grant, grant from local authorities and other government sources.

Capital grants received for housing properties are recognised in income over the expected life of the asset they have funded on a straight-line basis under the accrual model. The unamortised element of the government grant is recognised as deferred income in creditors.

Under most circumstances, if housing properties are disposed of Social Housing Grant is repayable to the Homes England or subject to restrictions on use and included in the creditors "The Recycled Capital Grant Fund".

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose a specific future performance condition is recognised as revenue when the grant proceeds are receivable. A grant that imposes a specific future performance related condition on Squared is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is shown as a liability in the Statement of Financial Position.

Short term employee benefits

Pension costs

The Association contributes to a defined contribution pension scheme. Contributions are charged to the income and expenditure account in accordance with the rules of the scheme. Differences between contributions payable and those actually paid are shown as either accruals or prepayments in the balance sheet.

Holiday Pay

Holiday pay is accrued as services are rendered. Any differences are shown as either accruals or prepayments in the Statement of Financial Position.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2021 (continued)

2. Principal accounting policies (continued)

Employee termination benefits

Where the Association has committed to pay employee termination benefits before the year end, those benefits are accrued in the current year.

Financial Instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities comprise investments, trade and other debtors, cash and cash equivalents, trade and other payables and loans.

All financial assets and financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (normally the transaction price less transaction costs), unless the arrangement constitutes a financial transaction. If an arrangement constitutes a financial transaction, the financial asset or financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Association intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of Section 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2021 (continued)

2. Principal accounting policies (continued)

Financial Instruments (continued)

Financial assets are only derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled,
- the Association transfers to another party substantially all the risk and rewards of ownership of the financial asset, or,
- the Association, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Association does not use standalone derivative financial instruments to reduce exposure to interest rate movements.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

Non-financial assets

Non-financial assets comprise tangible fixed assets. The Association's tangible fixed assets are assessed for impairment at each reporting date. Where indicators are identified, then an assessment is undertaken to compare the carrying amount of assets or cash-generating units for which impairment is indicated to their recoverable amounts. If there is objective evidence of impairment, an impairment loss is recognised immediately in the Statement of Comprehensive Income.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2021 (continued)

2. Principal accounting policies (continued)

Impairment (continued)

Value in use represents the present value of the future cash flows expected to be derived from an asset or cash-generating unit, appropriately adjusted to account for any restrictions on their use. The assessment of value in use may involve considerations of the service potential of the assets or cash-generating units, provided the property concerned is being used for social housing and is in demand. Value in use for assets held for their service potential represents the depreciated replacement cost, being the most economic cost required to replace the service potential of the asset. Depreciated replacement cost is the lower of the cost of constructing or acquiring a replacement asset to provide the same level of service potential. The cost of acquiring a replacement asset could be either through purchasing an equivalent property on the open market or purchasing an equivalent property from another registered provider, providing there is considered to be an active market.

Where indicators exist for a decrease in impairment loss previously recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

Financial assets comprise trade and other debtors and cash and cash equivalents.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

LUTON COMMUNITY HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2021 (continued)

2. Principal accounting policies (continued)

Judgements and estimates

Impairment

From 1 April 2016, Squared has reduced social housing rents by one per cent per annum and although this has now come to an end in 2019/20, this was a trigger for impairment and review was carried out accordingly.

As a result, in April 2016, we estimated the recoverable amount of its housing properties as follows:

- a) determined the level at which recoverable amount is to be assessed (i.e. the asset level or cash generating unit (CGU) level). The CGU level was determined to be an individual scheme or building
- (b) estimated the recoverable amount of the cash-generating unit by using fair value
- (c) calculated the carrying amount of the cash-generating unit and
- (d) compared the carrying amount to the recoverable amount to determine if an impairment loss has occurred.

Based on this assessment, we calculated the Depreciated Replacement Cost (DRC) of each social housing property scheme or building, using appropriate construction costs provided by a local architect. Comparing this to the carrying amount of each scheme, it was concluded that no impairment charge was required against its social housing properties.

Recoverable Amount

The recoverable amount of a scheme is the higher of its fair value less costs to sell and its value in use. Value in use for housing schemes which are able to be let in their current condition and which are fulfilling the social purpose for which they were acquired is based on the depreciated replacement cost of the asset. Depreciated replacement cost is the most economic cost required to replace the service potential of an asset. Construction costs provided by a local architect have been compared with EUV-SH and there is not considered to be any impairment of property.

Useful Lives

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the asset. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to circumstances which may require more frequent replacement of key components.

The key judgements and estimates applied in respect of housing properties are disclosed above and include the useful economic life of property structure at 100 years and that properties have no residual values at the end of useful life.

These are conservative assumptions that have been aligned with general practice followed by registered housing providers.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2021 (continued)

2. Principal accounting policies (continued)

Judgements and estimates (continued)

Basic versus other

Following review in accordance with FRS102 (Section 11) all financial instruments are considered to be basic.

Bad debt provision

The trade debtors balance of £734,638 (2020: £563,374) recorded in Squared statement of financial position comprise a relatively large number of small balances. All former tenant balances are provisioned as appropriate and specific current tenant provisions are made where necessary following review by operations.

PLS handback provision

Held to cover cost of repairs upon hand back of property to a private landlord and reviewed annually. This provision is currently capped at £1,200 which is the average current financial exposure experienced following a review of the costs of repairing properties handed back to private landlords over the last 2 years.

Valuation of investment property

After initial recognition investment property is measured at its fair value based on the valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and class of the investment property valued. The property at Bramingham Park was purchased 1 October 2015 and is held at fair value.

Identification of housing property components

Housing property depreciation is calculated on a component by component basis. The identification of such components is a matter of judgement and may have a material impact on the depreciation charge. The components selected, listed in the accounting policies fixed asset and depreciation section, are those which reflect how the major repairs to the property are managed.

Restricted reserves

There are no restricted reserves to report.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2021 (continued)

2. Principal accounting policies (continued)

Operating leases

Rentals payable under operating leases are charged in the Statement of Comprehensive Income on a straight-line basis over the lease term.

VAT

Squared charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT on expenditure to the extent that it is suffered by the Association and not recoverable from HM Revenue and Customs. The balances shown in these accounts are inclusive of VAT where applicable.

Capitalisation of interest

Interest on the mortgage or loan deemed to be financing a development is capitalised up to the date of practical completion of a housing scheme.

Supported Housing

The transactions incurred directly by managing agencies leasing our properties are not included in the financial statements.

Private Leasing Scheme

The property leases are taken out for durations of one, two or three years. The assets are not reflected in Squared statement of financial position except for 54 properties (2020: 58) which are owned.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

2(a). Turnover, operating costs and operating surplus

	2021			2020		
	Turnover	Operating costs	Operating surplus/ (deficit)	Turnover	Operating costs	Operating surplus/ (deficit)
Notes	£	£	£	£	£	£
Social Housing Lettings	2 (b) 6,333,718	5,912,359	421,359	5,709,892	(4,915,953)	793,939
Other Social Housing Activities	363,270	219,992	143,278	488,616	(887,791)	(399,175)
Development overheads not capitalised	-	7,922	(7,922)	-	-	-
Maintenance training programme	-	-	-	-	-	-
Total	6,696,988	6,140,273	556,716	6,198,508	(5,803,744)	394,764

Income for week 53 recognised in turnover in 2021 £Nil (2020: £101,274)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

2(b) Particulars of income and expenditure from social housing lettings

	2021				2020			
	Supported Housing	General Housing	Private Leasing	Total	Supported Housing	General Housing	Private Leasing	Total
	£	£	£	£	£	£	£	£
Income from social housing lettings								
Rent receivable net of identifiable service charges	216,154	1,956,809	1,984,282	4,157,245	224,845	1,916,270	1,708,882	3,849,997
Service charges receivable	474,990	123,302	610,853	1,209,145	505,101	115,474	541,940	1,162,515
Amortisation of government grant	44,831	118,869	822	164,522	44,136	118,869	822	163,827
Net rents receivable	735,975	2,198,980	2,595,957	5,530,912	774,082	2,150,613	2,251,644	5,176,339
Revenue grants receivable	396,636	-	-	396,636	513,518	-	-	513,518
Donations and other income	-	3,000	323,360	326,360	1,110	250	30,215	31,575
Fees from schemes managed by agents	79,810	-	-	79,810	100,620	-	-	100,620
Total income from social housing lettings	1,212,421	2,201,980	2,919,317	6,333,718	1,389,330	2,150,863	2,281,859	5,822,052
Expenditure on social housing letting activities								
Revenue grants payable	25,620	-	-	25,620	112,160	-	-	112,160
Services	99,441	151,018	248,162	498,621	101,679	122,323	199,356	423,358
Management	1,075,796	1,011,531	956,606	3,043,933	938,869	722,889	791,419	2,453,177
Routine maintenance	72,458	338,099	(6,838)	403,719	59,081	321,014	117,326	497,421
Rent losses from bad debts	(32)	12,264	110,421	122,653	13,606	5,066	97,048	115,720
Major repairs expenditure	4,938	11,668	-	16,606	-	-	-	-
Depreciation of housing properties	27,426	319,427	42,740	389,593	57,271	308,392	45,450	411,113
Depreciation on refurbishment of 65 London Road	35,954	-	-	35,954	12,566	-	-	12,566
Private Leasing Scheme - landlords' rent/incentive	-	-	1,375,660	1,375,660	-	-	1,002,598	1,002,598
Operating surplus on social housing letting activities	(129,180)	357,973	192,566	421,359	94,098	671,179	28,662	793,939
Rent loss from voids	(119,588)	(17,616)	(169,897)	(307,101)	(84,296)	(30,223)	(141,089)	(255,608)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

3	Key management personnel	2021	2020
		£	£
	Expense payments made to the Board of Directors of the association	-	1,739
	Aggregate remuneration for key management personnel		
	Basic salary	291,696	279,052
	Benefits in kind	8,055	5,300
	Pension contributions	21,841	20,209
		<u>321,592</u>	<u>304,561</u>
	National insurance contributions	34,318	32,750
		<u>355,910</u>	<u>337,311</u>

Key management personnel have reduced from 5 to 3 in the Leadership Team

Emoluments of highest paid director, the Chief Executive (excluding pension contributions, including benefits in kind and excluding employers NI).	79,530	78,681
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The Association currently operates a Group Personal Pension Scheme which is funded by contributions from the Association and the individual. The Chief Executive is an ordinary member of the pension scheme, and the Association's contribution was 8% for the year, amounting to £6,118 (2020: £6,067).

Related party transactions

There was one tenant Board member who resigned during the year. The tenancy is on the same terms as for all the housing management procedures, including those relating to management of arrears has been applied consistently for all tenants.

As at 31 March 2021, the tenant's rent was £4,092 (2020: £4,062) and had a credit balance of £190 (2020: £131).

Glyn Early was a private landlord Board member for part of the year. The contract is on the same terms as for all the private landlord agreements and procedures.

As at 31 March 2021, the landlord's rent paid was £5,176 (2020: £20,149).

A land purchase was made relating to this landlord this year £271,654 (2020: £550,273) property purchase last year. Valuation of the land was undertaken independently and landlord was not involved in this decision by the Board

The Association purchased printing services valuing £4,073 (2020: £7,800) from Bartham Group, a company controlled by board member Mostaque Koyes

4 Employee information

The average full-time equivalent (F.T.E.) of persons employed during the year, based on 37 hours per week, was:	2021	2020
	No.	No.

Office staff	19	21
Residential staff, caretakers, maintenance workers and cleaners	29	36
	<u>48</u>	<u>57</u>

	2021	2020
	£	£
Staff costs (for the above persons):		
Wages and salaries	1,944,546	1,944,937
Social security costs	156,165	146,345
Other pension costs	111,269	104,575
Redundancy payments	102,935	6,000
	<u>2,314,915</u>	<u>2,201,857</u>

There were employees who earned more than £60,000 as follows

	2021	2020
	Number of Employees	Number of Employees
Band		
£70,000 - £80,000	1	1
£60,000 - £70,000	3	3
	<u>4</u>	<u>4</u>

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

5	Interest receivable and similar income	2021 £	2020 £
	Interest on deposit accounts	<u>315</u>	<u>2,605</u>
6	Interest payable and similar charges	£	£
	On bank loans, overdrafts and other loans:		
	Repayable wholly or partly in more than 5 years	274,265	372,685
	Interest capitalised during the year	<u>-</u>	<u>1,806</u>
		<u>274,265</u>	<u>374,491</u>
7	Operating surplus	2021 £	2020 £
	Surplus on ordinary activities is stated after charging:		
	Depreciation	526,811	545,321
	Auditor's remuneration in their capacity as auditors (excl. VAT)	9,000	9,000
	Operating rentals - land and buildings	1,375,660	1,018,774
	Operating rentals - plant and machinery	<u>18,893</u>	<u>19,192</u>
8	Taxation		
	The Association has charitable model rules and its surpluses and gains are free from taxation provided that they are dealt with in accordance with the rules.		
9	Operating lease commitments		
	At 31 March 2021 the Association is committed to the total following minimum lease payments in respect of non-cancellable operating leases :		
		2021 £	2020 £
	Land and buildings		
	Within one year	1,423,139	1,069,562
	Expiring in two to five years	<u>1,793,430</u>	<u>1,333,660</u>
		£	£
	Plant and machinery		
	Within one year	15,460	18,893
	Expiring in two to five years	<u>11,487</u>	<u>31,509</u>

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

10a Tangible fixed assets

	Housing properties held for letting owned	Housing properties held for letting leased improvements	Housing properties currently under construction	Total Housing properties	Offices 89 Wellington	Office Bramingham Head Office owned	Intangibles	Motor vehicles, fixtures & fittings & other equipment	2021 Total	2020 Total
	£	£	£	£	£	£	£	£	£	£
Cost										
At beginning of year	31,559,696	155,189	79,821	31,794,706	219,097	426,712	-	1,168,032	33,608,547	31,732,224
Additions to properties	675,560	-	313,078	988,638	-	-	77,820	75,298	1,141,756	1,943,769
Work to existing properties	267,437	-	-	267,437	-	-	-	-	267,437	225,904
Transfers	442,910	-	(223,813)	219,097	(219,097)	-	-	-	-	-
Disposals	(579,302)	-	(9,890)	(589,192)	-	-	-	(40,198)	(629,390)	(293,350)
At end of year	32,366,301	155,189	159,196	32,680,686	-	426,712	77,820	1,203,132	34,388,350	33,608,547
Depreciation										
At beginning of year	5,702,523	119,235	-	5,821,758	22,432	18,585	-	774,631	6,637,406	6,179,859
Charge for the year	364,354	35,954	-	400,308	2,807	2,369	-	121,327	526,811	545,321
Transfers	25,239	-	-	25,239	(25,239)	-	-	-	-	(25,239)
Disposals	(157,703)	-	-	(157,703)	-	-	-	(32,093)	(189,796)	(87,774)
At end of year	5,934,413	155,189	-	6,089,602	-	20,954	-	863,865	6,974,421	6,612,167
Depreciated cost	26,431,888	-	159,196	26,591,084	-	405,758	77,820	339,267	27,413,929	26,996,380
Social Housing & Other Grants										
At the beginning of the year	12,867,918	-	-	12,867,918	-	-	-	-	-	-
Receivable during the year	-	-	73,200	73,200	-	-	-	-	-	-
Amortised in the year	(164,523)	-	-	(164,523)	-	-	-	-	-	-
Transfers	73,200	-	(73,200)	-	-	-	-	-	-	-
Disposals	(140,499)	-	-	(140,499)	-	-	-	-	-	-
At end of year	12,636,096	-	-	12,636,096	-	-	-	-	6,974,421	6,612,167

The total Social Housing Grant received at the balance sheet date was £16,430,446 (2020: £16,357,246)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

10a Tangible fixed assets (continued)

	Housing properties held for letting owned	Housing properties held for letting leased improvements	Housing properties currently under construction	Total Housing Properties	Office 89 Wellington	Office Bramingham Head Office owned	Intangibles	Motor vehicles, fixtures & fittings & other equipment	2021 Total	2020 Total
	£	£	£	£	£	£	£	£	£	£
Net book value At 31 March 2021	26,431,888	-	159,196	26,591,084	-	405,758	77,820	339,267	27,413,929	26,971,141
At 31 March 2020	25,857,961	35,166	79,821	25,972,948	196,665	408,127	-	393,401	26,971,141	

Cost	2021 Total	2020 Total
	£	£
Housing properties comprise:		
Freehold	28,289,816	27,410,578
Long leasehold	4,390,870	4,384,128
	32,680,686	31,794,706

Additions to properties during the year included:
 Administrative direct and indirect costs

During the year £959,603 (2020: £1,760,209) was spent on existing housing properties held for letting

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

10b Housing Properties

	Land		Structure		Other Components		2021		2020	
	£	£	£	£	£	£	£	£	£	£
Cost										
At beginning of year	7,667,269	17,169,865	6,877,751		31,714,885		30,084,250			
Additions to properties	469,354	479,598	169,518		1,118,470		1,698,081			
Component replacements	-	3,120	264,317		267,437		225,904			
Disposals	(134,436)	(222,228)	(222,638)		(579,302)		(293,350)			
At end of year	8,002,187	17,430,355	7,088,948		32,521,490		31,714,885			
Depreciation										
At beginning of year	-	2,794,948	3,026,810		5,821,758		5,482,717			
Charge for the year	-	173,173	252,374		425,547		426,815			
Depn on disposal	-	(22,810)	(134,893)		(157,703)		(87,774)			
At end of year	-	2,945,311	3,144,291		6,089,602		5,821,758			
Net book value										
At 31 March 2021	8,002,187	14,485,044	3,944,657		26,431,888		25,893,127			
At 31 March 2020	7,667,269	14,374,917	3,850,941		25,893,127					

Under most circumstances, if housing properties are disposed of Social Housing Grant is repayable to Homes England or subject to restrictions on use and included in the creditors within "The Recycled Capital Grant Fund"

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

11	Debtors	2021	2020
		£	£
	Amounts falling due within one year:		
	Rental debtors	734,638	563,374
	Less: bad debt provision	(514,320)	(394,278)
		<u>220,318</u>	<u>169,096</u>
	Other debtors:		
	Buildings Insurance	50,009	46,646
	Staff loans	2,272	1,282
	Others	547,759	388,075
		<u>820,358</u>	<u>605,099</u>

12	Creditors: amounts falling due within one year	2021	2020
		£	£
	Rents in advance	229,956	177,907
	Taxation and social security payable	2,240	87,768
	Loan capital and interest repayable within one year (see note 13)	309,500	309,500
	Private Leasing repairs provision	115,364	220,994
	Pension	29,144	33,414
	Supporting People grant payable	-	-
	Big Lottery Fund Grant	-	27,000
	Accruals and deferred income	474,791	224,153
	Purchase ledger control account	117,253	12,058
	Deferred Income - capital grants	162,714	163,827
		<u>1,440,960</u>	<u>1,256,621</u>

13	Creditors: amounts falling due after more than one year	2021	2020
		£	£
	Deferred grants	12,469,718	12,704,088
	Loans	12,645,248	12,954,748
	Recycled Grant Liability	180,892	-
		<u>25,295,858</u>	<u>25,658,836</u>

Housing loans from banks and building societies are secured by specific charges on the Association's housing properties and are repayable at an average rate of interest of 1.81% (2020: 2.25%) in instalments due as follows:

Loan Maturity Analysis	2021	2020
	£	£
Less than one year	309,500	309,500
Between one and two years	619,000	619,000
Between two and five years	928,500	928,500
In five years or more	11,097,748	11,407,248
	<u>12,954,748</u>	<u>13,264,248</u>

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

14 Non-equity share capital	2021	2020
	£	£
Allotted, issued and fully paid:		
At beginning of year	20	20
Added during the year	-	-
Deducted during the year	(6)	-
At end of year	<u>14</u>	<u>20</u>

Each member holds one share of £1 in the Association. The shares have limited rights.

They carry no entitlement to dividend, they are not repayable and do not participate in a winding up.

They carry an entitlement to vote at the Association's Annual and Special General Meetings.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

15	Capital commitments	2021	2020
		£	£
	Expenditure contracted for but not provided	183,281	670,000
	Expenditure approved but not contracted	-	-
		<u>183,281</u>	<u>670,000</u>

The association is able to fund the expenditure above due to recently negotiated loan funding

16	Property units in management	2021	2020
		No.	No.
	General needs housing - Social	352	348
	General needs housing - Affordable	12	12
	Supported, Sheltered and Agency housing accommodation	168	179
	Private Leasing Scheme	225	242
	Luton Lets Squared Joint Venture	58	14
	Total properties in management	<u>815</u>	<u>795</u>

48 additional units are now managed by the association and 28 units are no longer managed

Property units owned		2021	2020
		No.	No.
	General needs housing - Social	352	348
	General needs housing - Affordable	12	12
	Supported, Sheltered and Agency housing accommodation	153	164
	Private Leasing Scheme	54	58
	Luton Lets Squared Joint Venture	2	0
	Total properties owned	<u>573</u>	<u>582</u>

The Association developed or acquired 6 units and 15 units are no longer available

Properties owned and managed under the Private Leasing scheme are rented under an agreement with the local authority, Luton Borough Council.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2021 (continued)

17	Reconciliation of operating surplus to net cash inflow from operating activities			2021	2020
				£	£
	Operating surplus			599,569	394,764
	Depreciation of tangible assets			526,811	545,321
	Loss on disposal of fixed assets or asset replacement			439,594	205,576
	Amortised grant received			(164,523)	(163,827)
	Other non cash changes			(895,905)	(132,433)
				<u>505,546</u>	<u>849,401</u>
	Working capital movements				
	Increase in debtors			(215,259)	(16,822)
	Increase in creditors			184,339	(62,953)
	Net cash inflow from operating activities			<u>474,626</u>	<u>769,626</u>
18	Deferred capital grant	Capital Grant Fund	Recycled Grant Fund	2021	2020
		£	£	£	£
	Aggregate amount received				
	At 1st of April 2020	12,867,918	-	12,867,918	13,031,745
	Additions	73,200	-	73,200	-
	At 31st March 2021	<u>12,941,118</u>	-	<u>12,941,118</u>	<u>13,031,745</u>
	Released to Income & Expenditure				
	At 1st of April 2020			-	
	Released in the year	(164,523)	(180,892)	(345,415)	(163,827)
	At 31st March 2021	<u>12,776,595</u>	<u>(180,892)</u>	<u>12,595,703</u>	<u>12,867,918</u>
19	Investment Properties			2021	2020
	Valuation			£	£
	At 1 April 2020			426,712	426,712
	Additions			-	-
	Revaluation			-	-
	At 31 March 2021			<u>426,712</u>	<u>426,712</u>
	Net Book Value				
	At 31 March 2021			<u>426,712</u>	<u>426,712</u>
	At 31 March 2020			<u>426,712</u>	

The investment property was acquired in October 2015. Management consider there to be no material difference in fair value between the date of acquisition and the reporting date.

Document Information

Document

Title	Squared draft year end accounts to Mar21 v8 - 30.09.21
ID	8a516c50-1d53-46c1-b3dd-342781bbdc8b
Status	Signed
Sender	Jacqueline Constantine (jacky.constantine@squared.org.uk)
Dept/business	Team at Squared
Dept/business ID	finance-team-at-squared
PDF Certified	True

Signers

Name	Authentication
Glyn Early <glyn.early@squared.org.uk>	Email
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Simon Goodridge <simon.goodridge@knoxcropper.com>	Email
David Cheesman <davchees@aol.com>	Email

History

Event	User	IP address	Date/Time
Squared draft year end accounts to Mar21 v8 - 30.09.21 created by Jacqueline Constantine	Jacqueline Constantine (jacky.constantine@squared.org.uk)	91.198.3.30	Thu, 30 Sep 2021 16:21:27 +0000
Squared draft year end accounts to Mar21 v8 - 30.09.21 emailed to Glyn Early	Jacqueline Constantine (jacky.constantine@squared.org.uk)		Thu, 30 Sep 2021 16:21:29 +0000
Squared draft year end accounts to Mar21 v8 - 30.09.21 emailed to Lynda Rees	Jacqueline Constantine (jacky.constantine@squared.org.uk)		Thu, 30 Sep 2021 16:21:29 +0000
Squared draft year end accounts to Mar21 v8 - 30.09.21 emailed to Simon Goodridge	Jacqueline Constantine (jacky.constantine@squared.org.uk)		Thu, 30 Sep 2021 16:21:29 +0000
Squared draft year end accounts to Mar21 v8 - 30.09.21 emailed to David Cheesman	Jacqueline Constantine (jacky.constantine@squared.org.uk)		Thu, 30 Sep 2021 16:21:29 +0000
Lynda Rees <lynda.rees@squared.org.uk> opened email for Squared draft year end accounts to Mar21 v8 - 30.09.21	Lynda Rees (lynda.rees@squared.org.uk)	88.212.168.226	Thu, 30 Sep 2021 16:25:43 +0000
Squared draft year end accounts to Mar21 v8 - 30.09.21 visited by Lynda Rees <lynda.rees@squared.org.uk>	Lynda Rees (lynda.rees@squared.org.uk)	88.212.168.226	Thu, 30 Sep 2021 16:25:49 +0000
Browser geo-location provided: Lat 51.6726565, Long -1.5502804	Lynda Rees (lynda.rees@squared.org.uk)	88.212.168.226	Thu, 30 Sep 2021 16:25:50 +0000
Squared draft year end accounts to Mar21 v8 - 30.09.21 visited by Simon Goodridge <simon.goodridge@knoxcropper.com>	Simon Goodridge (simon.goodridge@knoxcropper.com)	86.161.39.66	Thu, 30 Sep 2021 16:26:26 +0000
Browser geo-location provided: Lat 51.401374, Long -0.249488	Simon Goodridge (simon.goodridge@knoxcropper.com)	86.161.39.66	Thu, 30 Sep 2021 16:26:28 +0000
Signature applied (page 18)	Lynda Rees (lynda.rees@squared.org.uk)	88.212.168.226	Thu, 30 Sep 2021 16:26:31 +0000
Signature applied (page 22)	Lynda Rees (lynda.rees@squared.org.uk)	88.212.168.226	Thu, 30 Sep 2021 16:26:34 +0000
Signature applied (page 23)	Lynda Rees (lynda.rees@squared.org.uk)	88.212.168.226	Thu, 30 Sep 2021 16:26:37 +0000
Signature applied (page 21)	Simon Goodridge (simon.goodridge@knoxcropper.com)	86.161.39.66	Thu, 30 Sep 2021 16:26:38 +0000
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Ticked checkbox for statement: I understand that accepting the terms of this document creates a legally binding obligation.	Simon Goodridge (simon.goodridge@knoxcropper.com)	86.161.39.66	Thu, 30 Sep 2021 16:26:46 +0000

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Squared draft year end accounts to Mar21 v8 - 30.09.21 completed by Simon Goodridge <simon.goodridge@knoxcropper.com>	Simon Goodridge (simon.goodridge@knoxcropper.com)	86.161.39.66	Thu, 30 Sep 2021 16:26:46 +0000
Ticked checkbox for statement: I confirm that I am authorised to accept the terms of this document.	Lynda Rees (lynda.rees@squared.org.uk)	88.212.168.226	Thu, 30 Sep 2021 16:26:47 +0000
Ticked checkbox for statement: I understand that accepting the terms of this document creates a legally binding obligation.	Lynda Rees (lynda.rees@squared.org.uk)	88.212.168.226	Thu, 30 Sep 2021 16:26:47 +0000
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Squared draft year end accounts to Mar21 v8 - 30.09.21 completed by Lynda Rees <lynda.rees@squared.org.uk>	Lynda Rees (lynda.rees@squared.org.uk)	88.212.168.226	Thu, 30 Sep 2021 16:26:47 +0000
Glyn Early <glyn.early@squared.org.uk> opened email for Squared draft year end accounts to Mar21 v8 - 30.09.21	Glyn Early (glyn.early@squared.org.uk)	86.191.39.67	Thu, 30 Sep 2021 16:37:43 +0000
Squared draft year end accounts to Mar21 v8 - 30.09.21 visited by Glyn Early <glyn.early@squared.org.uk>	Glyn Early (glyn.early@squared.org.uk)	86.191.39.67	Thu, 30 Sep 2021 16:39:10 +0000
Browser geo-location provided: Lat 52.1346, Long -0.4663	Glyn Early (glyn.early@squared.org.uk)	86.191.39.67	Thu, 30 Sep 2021 16:39:14 +0000
Signature applied (page 18)	Glyn Early (glyn.early@squared.org.uk)	86.191.39.67	Thu, 30 Sep 2021 16:39:33 +0000
Signature applied (page 22)	Glyn Early (glyn.early@squared.org.uk)	86.191.39.67	Thu, 30 Sep 2021 16:39:39 +0000
Signature applied (page 23)	Glyn Early (glyn.early@squared.org.uk)	86.191.39.67	Thu, 30 Sep 2021 16:39:42 +0000
Ticked checkbox for statement: I confirm that I am authorised to accept the terms of this document.	Glyn Early (glyn.early@squared.org.uk)	86.191.39.67	Thu, 30 Sep 2021 16:39:53 +0000
Ticked checkbox for statement: I understand that accepting the terms of this document creates a legally binding obligation.	Glyn Early (glyn.early@squared.org.uk)	86.191.39.67	Thu, 30 Sep 2021 16:39:53 +0000
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Jacqueline Constantine downloaded draft document Squared draft year end accounts to Mar21 v8 - 30.09.21	Jacqueline Constantine (jacky.constantine@squared.org.uk)	91.198.3.30	Thu, 30 Sep 2021 17:23:51 +0000
David Cheesman <davchees@aol.com> opened email for Squared draft year end accounts to Mar21 v8 - 30.09.21	David Cheesman (davchees@aol.com)	87.248.116.79	Thu, 30 Sep 2021 17:30:20 +0000
Squared draft year end accounts to Mar21 v8 - 30.09.21 visited by David Cheesman <davchees@aol.com>	David Cheesman (davchees@aol.com)	109.151.86.42	Thu, 30 Sep 2021 17:30:24 +0000
Browser geo-location provided: Lat 51.9094897, Long -0.4194153	David Cheesman (davchees@aol.com)	109.151.86.42	Thu, 30 Sep 2021 17:30:28 +0000
Signature applied (page 22)	David Cheesman (davchees@aol.com)	109.151.86.42	Thu, 30 Sep 2021 17:30:36 +0000
Signature applied (page 23)	David Cheesman (davchees@aol.com)	109.151.86.42	Thu, 30 Sep 2021 17:30:39 +0000
Ticked checkbox for statement: I confirm that I am authorised to accept the terms of this document.	David Cheesman (davchees@aol.com)	109.151.86.42	Thu, 30 Sep 2021 17:30:46 +0000

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Signer offered option to accept or reject document	David Cheesman (davchees@aol.com) 109.151.86.42	Thu, 30 Sep 2021 17:30:46 +0000
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Squared draft year end accounts to Mar21 v8 - 30.09.21 completed by David Cheesman <davchees@aol.com>	David Cheesman (davchees@aol.com) 109.151.86.42	Thu, 30 Sep 2021 17:30:46 +0000