



**LUTON COMMUNITY HOUSING LIMITED**

**trading as**

**SQUARED**

**FINANCIAL STATEMENTS**

**For the year ended**

**31 March 2025**

## LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

### CONTENTS

	Page No.
Board Members and Advisors	2
Report of the Board	3 - 19
Independent Auditor's Report	20 - 22
Statement of Comprehensive Income	23
Statement of Financial Position	24
Statement of Cash Flows	25
Statement of Movement in Reserves	26
Notes to the Financial Statements	27 - 47

## LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

### BOARD MEMBERS AND ADVISORS

#### BOARD OF MANAGEMENT

Glyn Early David Cheesman Iain Smith Mostaque Koyes Jo Simcox	Chair
---	-------

#### SECRETARY

Claire Bryan

#### 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 REGISTERED WITH FINANCIAL CONDUCT AUTHORITY

19688R

#### MEMBER OF THE NATIONAL HOUSING FEDERATION

1082

#### HMRC VAT number

220801948

#### HMRC charitable number

ZD04314

## LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

### REPORT OF THE BOARD

#### OVERVIEW

The Board presents its report and the audited financial statements for Luton Community Housing Limited trading as Squared for the year ended 31 March 2025. Squared is a Co-operative and Community Benefit public entity.

#### Principal activities

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

During the year under review, Squared continued to provide a range of services. Our Vision is "Inspiring Lives" and our mission is "Placing Customers at the heart of everything that we do by providing Homes, Support and Opportunity" and, as with all areas of our work, continuing to carry out activities to improve life opportunities for our customers.

Most people would rather be contributing members of society, and our customers are no different. In recognition of this we have continued to work with customers, assisting them to obtain training, leading to permanent employment. We continued to seek opportunities to do this through our coaching staff roles.

#### Review of the business

Squared made a surplus of £1,474,293 in 2025 compared with a deficit of £1,564,797 in 2024 increasing reserves to £1,343,181. This surplus was generated from a turnover of £8,252,570 (2024: £7,781,424).

#### Capital assets

Housing properties are included on the balance sheet at their net book value, after the deduction of depreciation, of £25,014,647 (2024: £25,893,289).

	2025		2024	
	£		£	
Historical cost	31,757,772		32,497,185	
Depreciation	<u>6,743,125</u>		<u>6,603,896</u>	
Depreciated cost	25,014,647		25,893,289	
Financed by:				
- Grants	12,940,923	(41%)	12,892,897	(40%)
- Loans	12,935,749	(41%)	13,835,749	(42%)
- Reserves	1,343,195	(4.2%)	(131,098)	(-0.4%)

## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

#### **HOMES**

##### **Customers**

In April 2024, rent policy followed Government legislation for both general needs and supported housing activities, with an increase of CPI plus 1% for rents and service charges increasing by CPI for fixed service charges and by cost experience for variable service charges.

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

Our Housing Services team use a tenancy credit check tool to monitor financial stability. Although this tool can also assist in detecting the occasional fraudulent tenancy, our aim is to identify customers in financial distress and provide the necessary support to them to improve their circumstances.

We had 271 registered members using our old customer portal to pay rent, report repairs, use online forms and making suggestions using our customer portal and via our website. As part of the roll out of our new MRI system we have introduced a new customer portal and are actively encouraging customers to create an account.

We work closely with customers experiencing adverse impacts of benefit changes and refer to external agencies who have experience in this area for assistance.

The last full Star Survey was carried out in 2023-24 and this independent survey included the suite of new Tenant Satisfaction Measures recently introduced by the Regulator of Social Housing. We have invested in software called CX Feedback which allows us to carry out 'spot survey's' to gain customer feedback about any service improvements or changes we have or plan to make. This is to ensure we're tracking and monitoring our service improvement plan performance in between our full independent survey, carried out every two years.

##### **Housing for older people**

There were 28 properties at Squared designated for older people in the year (2024: 28), for whom we provide a fortnightly surgery.

There are also 8 one-bedroom flats in Barton-Le-Clay for elderly persons who are independent and do not need a visiting service or warden. Another 18 one-bedroom flats are provided for the over 50s group in the Farley Hill area.

##### **Landlord Services**

Squared lease properties and houses in multiple occupation (HMOs), from private landlords and let them to people nominated by Luton Borough Council from their homeless families waiting list and from the Homeless Prevention Team. At 31 March 2025 there were 99 units in management (2024: 230) There were 9 new leases signed (2024: 3), 42 leases were renewed (2024: 17) and 28 leases ended in order for properties to be returned to the landlords (2024: 40). Units from the former Luton Lets Squared joint venture with Luton Borough Council which ceased to exist from 31 July 2023, have been merged into our leased schemes under our Landlord Services Department.

## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

#### **HOMES (continued)**

#### **HOMES WITH SUPPORT (continued)**

##### **Supported Housing**

Our supported housing team continue to work with the local authority, Luton Borough Council. We provided support to Unaccompanied Asylum-Seeking Children (UASC), Care Leavers, mothers and babies, and single male and female customers. Our services continue to focus on personalised support and suitable next steps accommodation pathways. Squared have achieved OFSTED registration which is a new requirement for customers under 18 years of age, although we are not currently offering accommodation to any customers under 18.

##### **Hostel projects managed by our in-house team**

In the year to 31 March 2025, 7 (2024: 7) in-house hostel projects showed a surplus of £906,003 (2024: £374,914), before mortgage repayments and contribution to central costs and sinking funds. Turnover was £1,425,098 (2024: £750,346) and operating costs were £519,015 (2024: £375,432). The Supported Housing steady-state contracts increased to £197,080 for 2024-25, due to a 9% increase for the next 2 years to 2025-26 successfully negotiated with the relevant local authority last year.

Squared mother and baby hostel was awarded a grant of £8,225 by Luton Rising, the owner of London Luton Airport. We are hugely grateful for this grant from their community funding programme, which is managed by Bedfordshire and Luton Community Foundation to our mother and baby hostels. This grant from Luton Rising is a great opportunity for us to fund items for our mother and baby hostels and will make a real difference. Enhancing the internal and external environment of these projects and directly benefiting our young mums and their children. This grant helps us deliver our vision of inspiring lives.

##### **Houses in Multiple Occupation (HMOs)**

During the year 2024-25, 164 units of shared HMO accommodation provided safe and secure housing for single homeless customers with low to medium support needs, most live semi-independently. but often support needs change, and customers can develop issues around mental health, addictions, budgeting, and offending, immigration increasing the level of support needed. Growth of an additional 15 units is planned for 2025-26.

Our HMO Coaches visit our HMO properties regularly and customers receive support personalised to their needs.

We work with customers to help identify their personal goals and support them to achieve those goals and actively participate in Luton Homeless Partnership. Placements are for up to two years with the aim of customers moving on to independent, secure accommodation.

All Homes with Support customers are also eligible for other services Squared offers, such as our in-house mental health therapy service, offering sessions with a trained therapist.

## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

#### **HOMES (continued)**

#### **HOMES WITH SUPPORT (continued)**

##### **Next Steps Accommodation Programme**

The Next Steps Accommodation Programme in partnership with Luton Borough Council to provide more security for customers and enhance the already existing pathways continued in 2024-25.

Homes England revenue funding of £33,088 was receivable in the year (2024: £33,088), for the fourth year of revenue funding for a role offering Intensive Floating support and Housing Management, over 3 years, not only for the 3 tenants housed in Squared Next Steps Accommodation apartments but to all of Squared's over 200 customers who are within 6 months of move on, in order to free up the existing pathways more quickly.

In 2024-25, Homes England confirmed an extension of the funding extended for a fifth year of £33,088.

##### **Community partnering**

Squared lease the Inkerman Street open plan office space to a community initiative called Higher Ground, part of the wider Crisis Aid charity, generating £20,500 annually.

### **PROPERTY SERVICES**

#### **Maintenance and major repairs**

Squared is committed to maintaining and improving its stock. Excluding overheads, £21,509 (2024: £93,720) was spent on major repair expenses, and £453,821 (2024: £802,472) on responsive maintenance. With a further £356,735 (2024: £508,374) on 147 components (2024: 138), such as bathrooms, kitchens and boilers.

We have an in-house maintenance team who provide a responsive maintenance service to customers and manage planned maintenance and compliance checks of our properties. We also have an in-house cleaning and gardening team, who manage the communal areas of our portfolio as well as some external contracts.

#### **Asset management**

During 2024-25 we have managed our stock to support our work in complying with Decent Homes Standards and the Energy Efficiency Standard for Social Housing (EESH). We have developed a comprehensive Asset Management Strategy which sets out our clear objectives and priorities over the next 5 years (2025-29).

We commissioned a third phase of stock condition surveys on all outstanding owned properties in April 2025. This means we have a stock condition survey data for every owned property under 5 years old. We will now undertake stock conditions surveys of 20% of our stock on an annual basis, internally.

## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

#### **PROPERTY SERVICES (continued)**

As part of our asset management plans this will enable us to ensure the best use of our stock, including exploring opportunities to access relevant funding. Our aim is to reduce both running costs for our customers and on-going maintenance costs for the organisation, ensuring that future investment in existing stock is focused on improvements rather than on reactive repairs through our 30 year newly developed capital investment plan.

#### **Environmental Sustainability**

Our asset management plans also extend to making environmental improvements to our homes. We are actively reviewing our energy efficiency ratings to enable us to explore and implement appropriate retrofits. This will help reduce CO2 emissions as well as our customers' fuel bills, leading to better quality, energy efficient, safer homes for our customers.

#### **Cleaning and Gardening Squared (CGS)**

In the year to 31 March 2025, Cleaning and Gardening team at Squared showed a surplus of £28,405 (2024: £20,871). Turnover was £254,587 (2024: £273,716) and operating costs were £226,182 (2024: £252,845).

During the year, CGS continued to meet its targets for external and internal customers in terms of service delivery. CGS supported our Homes teams by continuing to provide void cleaning and gardening maintenance services to improve the quality and cleanliness of re-let properties and reduced the void period significantly. We also continued to maintain our estates.

#### **Property Purchases and Sales**

There were 15 unit sales (Inclusive of 10 units in Blakedown) in 2024-25 and no property purchases in the same period. Sales proceeds were £2.5m (2024: £1.8m) and accounting gain was £1,459,426 (2024: £235k). These disposals increased the grant to be recycled to future developments or repaid to Homes England within 3 years of the financial year of these disposals to £2.3m (2024: £1.5m).

### **HEALTH & SAFETY**

We continued to strengthen our approach to Health & Safety across Squared, working closely with H&S Consultants to ensure that we are providing our services safely and complying with Health & Safety regulations and have robust practices in place.

All teams worked collaboratively to continue actioning the 12-month Health & Safety Plan to minimise risks.

The annual H&S Audit 2024 was undertaken with members of Squared's team, including leadership, operational management and team members in Summer 2024 using the auditing tool "Safe365". Our teams continue to be committed to implementing recommendations and improving health & safety practices.



## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

#### **HEALTH AND SAFETY (continued)**

Annual mandatory training has continued with all managers and team members with certified Level 2 being undertaken; teams continue to be proactive and challenge and query H&S issues and concerns. All our teams are responsible for ensuring the health and safety of customers, fellow team members and other stakeholders.

To enable Squared to create a focused and supported way forward to ensure a robustly managed Safety Management System (SMS), we have continued employing a compliance lead to further develop Squared's Compliance Framework and consolidate data.

The outcomes and recommendations of the audit have helped us focus on and prioritise areas for improvement to minimise risk, keep everyone safe and protect our properties too. The audit is a useful tool for us to continuously improve our service offering and ensure all team members are working within safe practices and environments.

Squared has a robust H & S Policy in place which is in date and approved by the Board. The policy is reviewed by Sureteam in consultation with Squared when changes within the business take place, or legislation and best practice requires this. Sureteam continue to work strategically alongside the leadership and management teams to provide support and help drive continuous improvement in a coordinated approach.

#### **PEOPLE EXCELLENCE (PEx)**

##### **Executive Leadership Team (ELT)**

The Executive Leadership Team comprises the Chief Executive, Kierson Benfield; Business Support & Governance Director, Claire Bryan; Finance Director (part-time consultant), Lee Schopp.

##### **Leadership Team (LT)**

The wider Leadership Team also includes Head of Homes, Graham Haynes and Head of Property Services, Victoria Simpson.

##### **Operational Team (OT)**

Operational Team (OT) is made up of senior and junior managers and acts as the operational link between the Leadership Team and the rest of the workforce.

##### **Ensuring the continuation of excellence in people management throughout the organisation**

The PEx team have continued to be integral to supporting and advising managers and teams across Squared. We continued applying our 'PEx Partnering' approach to coach managers and team members; ensuring we are keeping abreast of changing legal obligations and best practice and contributing to minimising risks to the health and safety of team members, customers, and all stakeholders.

We further developed our use of a self-service portal "Employment Hero" as part of our continual drive to improve the digital experience for team members and maximise efficiency.

## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

#### **PEOPLE EXCELLENCE (continued)**

##### **Investing in our people**

We continue to be accredited as an Investors in People Gold employer.

This helps us to focus on how we use measurement tools and data relating to our team members to further drive business performance, maintain our forward-thinking culture and ensure newer team members embrace the vision and culture we aspire to.

##### **Future proofing our staffing resources**

We continued to focus on our organisational design to ensure business objectives were delivered and business continuity sustained.

##### **Fair reward and recognition**

In 2024/2025 all eligible team members received a 3% pay increase, as Squared continued to recognise and value the contribution of team members.

We continue to provide employee benefits via our online benefits platform, providing a central location for all team members to access and self-serve, including, but not limited to: access to health cash plan, pension contributions, life assurance, buying and selling of annual leave, shopping discounts/cashback, wellbeing initiatives.

We utilised our self-service HR platform, Employment Hero to shout out and recognise key contributions from team members.

##### **Managing performance using Objective Key Results (OKRs)**

We continue to emphasise setting objectives and targets across Squared, with the further use of OKRs, supporting team members to stay on track to deliver their objectives and key results, enhancing customer services across Squared and enabling greater focus in teams and to ensure commercially sound decisions are made.

##### **Nurturing high performance teams across Squared**

We continued to invest in the development of our teams to enhance performance standards across the organisation, utilising our Go1 e-learning platform, face to face training sessions as part of our blended approach to training delivery.

The development needs of individual team members were also identified, considered and prioritised.

Our Homes with Support team annual training programme continued and included training on safeguarding, managing trauma and creating a psychologically-informed environment for our customers, building resilience in our team coaching and supporting customers with complex issues and needs.

We continued to encourage self-responsibility for personal development through the use of our e-learning platform "Go1" linked to our new HR self-service portal, enabling our team members' access to a library of e-learning, encouraging team members to explore their own development needs.

## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

#### **PEOPLE EXCELLENCE (continued)**

##### **Inspiring our people**

We continued to maximise employee engagement and wellbeing levels, actively involving our teams to participate in Squared initiatives, such as:

- The Exchange quarterly staff meeting.
- Annual Staff Conference.
- Engagement Survey (consistently above 75% evidencing an engaged workforce).
- Squared Fest teambuilding day.

##### **Quality of services**

Squared strives to provide quality services, matching or exceeding the best. We do this through a committed and well-trained team, which also reflects the local community and our customers. To test and evidence the quality of our services we continue to be accredited for:

- Investors In People Gold – we are proud to have been recredited as a Gold standard in 2025, evidencing our commitment to strive for excellence as an employer.

#### **THE BOARD**

During the year, there were no additions to the membership of the Board of Management (2024: none). The 5-year business plan continues to be reviewed and updated by the Board. Squared continues to actively seek 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 5 board members. There are vacancies for up to 7 more members.

##### **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's 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 Squared and of the surplus or deficit for that period.

## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

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's transactions and disclose with reasonable accuracy at any time the financial position of Squared 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 2022 and the Statement of Recommended Practice: Accounting by registered social housing providers (SORP 2018). They are also responsible for safeguarding the assets of Squared and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Going Concern**

Squared experienced a continued decline in trading performance in 2023/24, due to a number of reasons, such as an increase in the number of empty properties as well as an increase in arrears having to be written off, and the impact of the increase in loan interest rates.

This decline in trading performance resulted in our funder writing to us in September 2023 to seek a consensual restructuring and repayment strategy.

In October 2023, we appointed a new Finance Director to oversee this restructuring and during this time our funder continued to be very supportive and extended ongoing capital repayment holidays and a waiver on the interest cover covenant.

A new business plan was developed and approved by the Board in December 2023 which included:

- Increasing rents as permitted within regulations and the rent standard.
- Renegotiating lease terms to ensure we were not letting any properties at a loss.
- Sub-letting or otherwise making better use of surplus office space.
- Reducing the overall costs of running the business with particular attention to how we commissioned maintenance repairs.
- Commencing an asset disposal program in mid-2024 to sell at least 24 properties over the next 2 years focusing on those that were either void or uneconomical to improve their energy efficiency.

The business plan showed a return to underlying operating profit and a significant improvement in cash flow.

Since April 2024, Squared's performance has surpassed all aspects of the business plan and the business has returned to generating a surplus, as reflected in these financial statements. A new funding agreement is in place until September 2026 and negotiations are underway to obtain funding beyond this point. In addition, Squared continues to have over 350 unsecured properties with a market value of £50m.

## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

#### **GOING CONCERN (continued)**

On this basis, the Board has a reasonable expectation that Squared 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.

#### **Internal Control**

The Board acknowledges that it is responsible for the system of internal control within Squared 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 Squared. 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 Squared 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; this list is not exhaustive:

- 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, Grievance & Capability
- Disclosure & Barring Service
- FREDIE (Fairness, Respect, Equality, Diversity, Inclusion & Engagement)
- Financial Regulations
- Gifts and Hospitality
- Health & Safety
- Internal Fraud
- Probity and Propriety
- Programme of independent Internal Audit
- Risk Management
- Whistleblowing

## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

#### **INTERNAL CONTROL (continued)**

The Board have not had to deal with any material internal control problems in the year. The Executive Leadership 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.

#### **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 Squared and is satisfied that the risk management is adequate and is continuously under review.

#### **Governance**

The Board continues to adopt the NHF Code of Governance 2020. The Board considers that Squared continues to meet the requirements of both the NHF Code of Governance and the Regulator Standards.

#### **Marketing and Communications**

Over the last year, our Marketing and Communications team has continued to develop their plans for a marketing programme to strengthen our organisation by raising our profile as an inclusive, caring, approachable, forward-thinking and lively organisation. As well as managing Squared's organisation-wide news and promotional activity, our Marketing and Communications team continue to work with our various teams to deliver their specific marketing and communications needs, to support our services and keep our customers updated and informed.

As part of the Luton Homeless Partnership, our team has supported the partnership by helping to communicate its messaging and activities through social media activity and also by contributing to content planning.

We are continuing to increase our digital footprint by utilising digital marketing to communicate with our customers and to raise our profile locally through social media platforms, video content, digital advertising, sponsored content and email. We are working with our wider teams to identify customer touchpoints in every service to explore digital communication solutions to improve communication and service efficiency for our customers, for example website bots to help support customers with their queries and questions.

#### **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. The 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 are derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

Squared's vision is Inspiring Lives, and our mission is to Place Customers at the heart of everything that we do by providing Homes Support and Opportunity.

## **LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

### **REPORT OF THE BOARD (continued)**

#### **VALUE FOR MONEY (continued)**

Squared's strategic objectives for the next 5 years are:

- Build high performing teams and excellence in leadership & management.
- Grow our service provision, where appropriate.
- To be responsive to customer needs to further drive our service.
- To provide only good quality homes.
- To maximise operational efficiency across Squared in order to deliver excellent customer services.
- To deliver excellence in governance and financial management.

Squared is committed to providing good quality, safe and secure homes that people want to live in. We will create spaces that give people the chance to live well and thrive. We will provide the right support services that people need. We will be guided by the principles of economy, effectiveness and efficiency at all levels within the business. We will identify older properties that are inefficient to repair/refurbish for sale, re-investing proceeds in newer properties to reduce repair costs.

By considering VFM within teams at all levels of the business, 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.

Squared formally reviews its performance on VFM, including VFM metrics set up by the RSH, comparing ourselves to our benchmarking peer group and reporting the results to our Board annually and monitoring the same benchmarks on a quarterly basis internally to achieve continuous improvement of our services.

We carried out a Tenant Satisfaction Survey (TSM) in 2023 and have working on addressing any weaknesses which should lead to improved satisfaction levels from our customers at the next TSM survey which is due to be carried out again in the autumn of 2025.

#### **Peer Group Benchmarking**

Squared is a member of a benchmarking group London South East Benchmarking Club (LSEBM), made of 35 members located in London and the South East area. The tools for our benchmarking are provided by the organisation Acuity [www.arap.co.uk](http://www.arap.co.uk). Our performance data is submitted to Acuity who work in partnership with House Mark. We monitor our performance with Acuity and LSEBM because we recognise that some more useful insight can be gained from comparing ourselves with organisations operating in inner London boroughs of a similar size. 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.

The peer comparison results for our benchmarking group are analysed below with last year's results and future year's targets linked to our strategic objectives.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

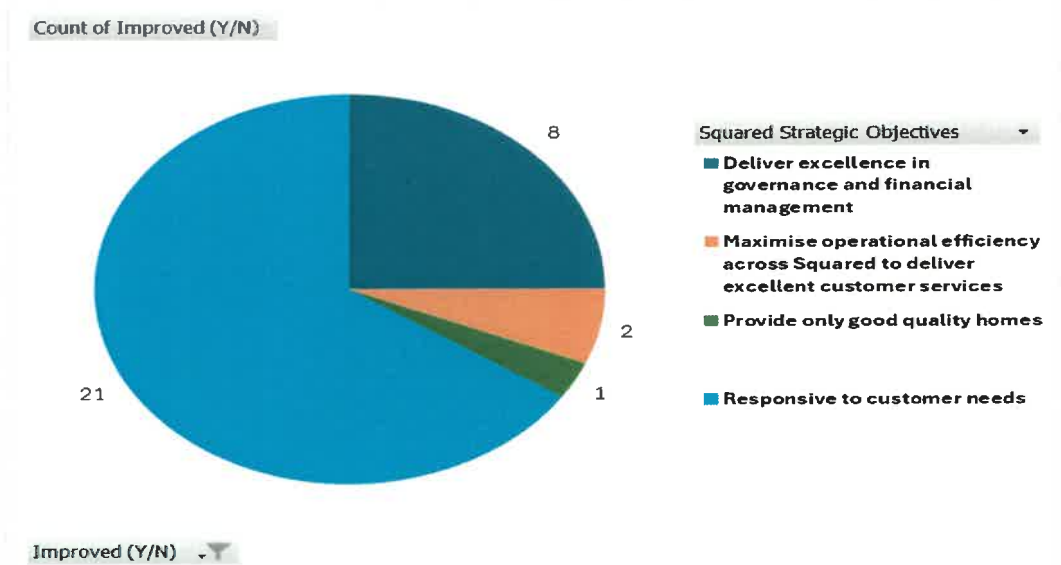
VALUE FOR MONEY (continued)

Peer Group Benchmarking results

During 2024-25, we used our internal quarterly benchmarking activities, with Leadership and Operational Teams to set targets for future, agree action plans and service improvement plans linked to Squared’s strategic objectives. The benefits of which have been in improvements in 33% of our KPIs [32 out of 95], the majority of which related to customer needs which we anticipate being able to translate into a better customer satisfaction rate at our next survey date this autumn.

Details on the improved KPIs

- Virtual receptionist trial was completed successfully and was quite beneficial in ensuring our teams do not miss any customer calls. We have continued with the virtual receptionist services.
- We aim for 100% of complaints to be acknowledged and responded to which we monitor closely. 84% of staff have completed the Housing Ombudsman’s Dispute Resolution training, and 79% have completed Squared’s internal Effective Complaints Handling training in 2024-25. As this may fluctuate with staff turnover, annual refreshers are planned. New staff are enrolled in the Dispute Resolution Training and directed to the Complaints Toolkit on SharePoint upon joining.
- We have continued the use of survey software CX Feedback to monitor customer experience at their touchpoints with Squared.
- Customer engagement meetings took place every quarter with attendance options of in-person and/or Teams made available to customers.





## LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

### REPORT OF THE BOARD (continued)

#### VALUE FOR MONEY (continued)

- We update and monitor a value for money evidence log with all activities, benefits and savings that all teams have access to and update regularly, which keeps all teams focused on the importance of VFM principles as part of their daily.
- Phase 1 of our housing and finance software integrated solution with customer portal was implemented during the year, with future phases to follow. This new software will enable Squared to achieve our digital transformation objectives, automate more tasks so our teams can be more productive and future proof our technology use.
- Levels of arrears across all schemes have reduced although former tenant arrear write offs are negligible which we will be taking action on in 2025-26.

Code	Benchmarking Metric	Squared Goals	Prior Year 2023/24	23/24 Ranking	Report Year 2024/25	Peergroup median 2024/25	24/25 Ranking	2025/26	2026/27	2027/28
SWBM400	Rent arrears net of unpaid HB % - GN	Deliver excellence in governance and financial	6	4	6	6	3	5.5	5	4.5
HMSH 220	Current arrears % - Supported	Deliver excellence in governance and financial	1.38	2	1.15	2	1	1	0.9	0.8
HMSH 320	Rent written off % - Supported	Deliver excellence in governance and financial	1.48	3	0.64	2	2	0.5	0.4	0.3
HCP1100	Rent written off % - GN only	Deliver excellence in governance and financial	1.7	4	0.95	0	3	0.9	0.85	0.8

- All repair related costs have reduced through increased financial controls enabled by monthly finance partnering with all teams.

Code	Benchmarking Metric	Squared Goals	Prior Year 2023/24	23/24 Ranking	Report Year 2024/25	Peergroup median 2024/25	24/25 Ranking	2025/26	2026/27	2027/28
CPP 02	Cost per property of responsive repairs and void works	Deliver excellence in governance and financial	£1,753	4	£1,231	£1,231	2	£1,200	£1,150	£1,100
CPP 03	Cost per property - Major and cyclical works	Deliver excellence in governance and financial	£2,407	4	£1,622	£1,857	2	£1,600	£1,500	£1,400

#### Details of KPI challenges to resolve linked to strategic objectives

We will shortly be agreeing on action plans and reviewing our existing targets for 2025-26 for the KPIs where we have not seen an improvement or where we have experienced a downturn in performance.

- The average days lost due to sickness worsened this year due to several team members having operations which required recovery time and due to long term sickness, which were unavoidable. We continue to hold monthly and quarterly management meetings to identify and resolve absence issues more quickly.

Code	Benchmarking Metric	Squared Goals	Prior Year 2023/24	23/24 Ranking	Report Year 2024/25	Peergroup median 2024/25	24/25 Ranking	2025/26	2026/27	2027/28
BV 12	Ave days lost due to sickness absence	Build high performing teams and excellence in leadership and management	41	2	5.5	5	3	5	4.5	4

## LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

### REPORT OF THE BOARD (continued)

#### VALUE FOR MONEY (continued)

- Gas safety checks showed an improvement from 93% to 99%, leaving Squared in 4<sup>th</sup> quartile as most of our peers are achieving 100% completion. We are currently reviewing our no access procedure, and we intend to invest in compliance software to enable us to achieve our intended target of 100%.

Code	Benchmarking Metric	Squared Goals	Prior Year 2023/24	23/24 Ranking	Report Year 2024/25	Peergroup median 2024/25	24/25 Ranking	2025/26	2026/27	2027/28
BS01	Percentage of gas safety checks completed	Provide only good quality homes	93	4	99	100	4	100	100	100

- Value for Money and RSH metrics**

Financial performance has continued to improve in the year due to increased financial control, with all teams working closely together through finance business partnering approach to review costs on a monthly basis in order to be able to adjust for variances to budget as soon as they arise, although this does not always have an impact on our ranking in our peer group. This shows us that we need to improve further if we want to be in the upper quartiles of our benchmarking club.

Code	Benchmarking Metric	Squared Goals	Prior Year 2023/24	23/24 Ranking	Report Year 2024/25	Peergroup median 2024/25	24/25 Ranking	2025/26	2026/27	2027/28
CPP 01	Cost per property of Housing Management	Deliver excellence in governance and financial	£970	3	£746	£656	3	£700	£650	£600
CPP 02	Cost per property of responsive repairs and void works	Deliver excellence in governance and financial	£1,753	4	£1,231	£1,231	2	£1,200	£1,150	£1,100
CPP 03	Cost per property - Major and cyclical works	Deliver excellence in governance and financial	£2,407	4	£1,622	£1,857	3	£1,600	£1,500	£1,400
CPP 04	Overhead costs as a percentage of turnover	Deliver excellence in governance and financial	13	3	13	17	3	12	10	9
RSH 101	Operating margin % (overall)	Deliver excellence in governance and financial	-5	4	13	19	3	12	10	9
RSH 102	Operating margin % (social housing lettings)	Deliver excellence in governance and financial	-20	4	-5	19	3	5	6	7
RSH 103	EBITDA MRI (as a percentage of interest)	Deliver excellence in governance and financial	-118	N/A	105	147	N/A	120	125	130
RSH 203	Gearing (RSH and Scorecard measure) %	Deliver excellence in governance and financial	43	N/A	46	24	N/A	50	55	60
RSH 401	Return on Capital Employed (ROCE) %	Deliver excellence in governance and financial	-0.9	4	10	3	3	12	15	18
RSH 501	Headline social housing cost per unit £	Deliver excellence in governance and financial	£8,421	4	£7,372	£6,253	3	£7,000	£6,500	£6,000

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

#### Other financial metrics

##### Return on assets

Financial metrics have improved in the year.

	31 March 2025	31 March 2024
Tangible fixed assets	£26,573,797	£27,221,537
Surplus/(deficit) for the year	£1,474,293	(£1,564,797)
Return on Net Assets (overall)	5.71%	-5.98%
Return on Capital Employed (operating)	9.66%	-2.16%

## LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

### REPORT OF THE BOARD (continued)

#### VALUE FOR MONEY (continued)

Assets reduced due to the asset sales as part of our disposal programme of properties that are uneconomical to repair, improving our cash flow. Proceeds were also used to pay down loans and reduce our debt which also reduces our loan interest costs and improves profitability.

Development costs previously capitalised for projects that will not be proceeding valuing £63k were written off in the year. Bad debts of £167k were also provisioned, review of arrears and bad debts delayed by our new system implementation will now commence in 2025-26.

#### Cost of delivering services

FINANCIAL RATIOS	31 March 2025	31 March 2024
Total borrowing to Net Worth (including acquisition costs)	0.67	0.62
Total borrowing to Net Worth (excluding acquisition costs)	0.89	1.08
Operating profit to Interest Payable	1.13	-1.56
Value of charged properties to outstanding debt	134%	125%

#### Remedial action plans for 2025-26

- Additional training on customer care and managing damp and mould, identified through a Housing Ombudsman investigation, and linked to our preparation for the incoming requirements of Awaab's law is being addressed by the Property Services Team.
- Bad debts - review policy, procedures, process and approach to arrears and bad debts was delayed and is now planned for winter 2025.
- Void losses and re-let times have improved somewhat across all schemes, however, further improvement is needed if we want to improve our ranking in our benchmarking club.
- Plans to map processes organisation wide delayed until new software solution in place will now take place with the aim to complete this exercise by March 2026.
- CCTV management platform will be introduced to improve operational efficiency, by removing the need to attend sites to obtain camera footage. The platform will also enable us to receive alerts on the health of our recorders and cameras.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

VALUE FOR MONEY (continued)

REMEDIAL ACTION PLANS (continued)

- Investigating how we can improve customer attendance of the quarterly engagement meetings.

We expect these actions to allow us to achieve our 2025/26 targets.

By order of the Board of Management

*G.W.Early*

.....  
Glyn Early  
Chair

*C.L. Bryan*

.....  
Claire Bryan  
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 31<sup>st</sup> March 2025, 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 31<sup>st</sup> March 2025 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 2022.

**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 and management override of controls, 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](http://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**      11/09/2025

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 MARCH 2025

	Notes	2025 £	2024 £
Turnover	2(a)	8,252,570	7,781,424
Operating costs	2(a)	(7,214,093)	(8,582,272)
Gain on property disposal		<u>1,454,855</u>	<u>235,545</u>
Operating surplus/(deficit)		2,493,332	(565,303)
Interest receivable and other income	5	9,902	2,225
Interest payable and similar charges	6	(1,028,941)	(1,001,719)
Surplus/(Deficit) for the year		<u>1,474,293</u>	<u>(1,564,797)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>1,474,293</u>	<u>(1,564,797)</u>

10/09/2025

These financial statements were approved on

and were signed by:

*C.L. Bryan*

Secretary

*David Cheesman*

Board member

*G.W. Early*

Chair

The notes on pages 27 to 47 form part of these accounts.

A statement of movement in reserves is set out on page 26.

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 2025

	Notes	2025 £	2024 £
Tangible fixed assets			
Housing properties	10	25,014,647	25,893,289
Investment properties	19	426,712	426,712
Intangible fixed assets	10	404,266	205,344
Other tangible fixed assets	10	728,172	696,192
		<u>26,573,797</u>	<u>27,221,537</u>
Current assets			
Debtors due within one year	11	815,746	812,196
Cash and cash equivalents		<u>1,094,013</u>	<u>(5,611)</u>
		1,909,759	806,585
Creditors: amounts falling due within one year	12	<u>(2,659,657)</u>	<u>(1,875,886)</u>
		(2,659,657)	(1,875,886)
Net current assets/(liabilities)		<u>(749,898)</u>	<u>(1,069,301)</u>
Total assets less current liabilities		25,823,899	26,152,236
Creditors: amounts falling due after more than one year	13	(24,480,704)	(26,283,334)
Total net assets/(liabilities)		<u>1,343,195</u>	<u>(131,098)</u>
Capital and reserves			
Non-equity share capital	14	14	14
Revenue reserve		<u>1,343,181</u>	<u>(131,112)</u>
Total net assets/(liabilities)		<u>1,343,195</u>	<u>(131,098)</u>

These financial statements were approved on 10/09/2025

*C.L. Bryan*

Secretary

*David Cheesman*

Board member

*G.W.Early*

Chair

and were signed by:

The notes on pages 27 to 47 form part of these accounts.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

STATEMENT OF CASH FLOWS for the year ended 31 MARCH 2025

	Notes	2025 £	2024 £
Net cash generated from operating activities	17	1,254,420	423,004
Cash flow from investing activities			
Purchase of other fixed assets		(131,545)	(24,912)
Purchase of tangible fixed assets		(357,581)	(960,279)
Purchase of intangible fixed assets		(198,922)	(52,569)
Disposal Proceeds		2,452,291	1,800,000
Interest received		9,902	2,225
		<u>1,774,145</u>	<u>764,465</u>
Cash flow from financing activities			
Interest paid		(1,028,941)	(1,001,719)
Loan repaid		(900,000)	-
		<u>(1,928,941)</u>	<u>(1,001,719)</u>
Increase/(decrease) in cash		<u>1,099,624</u>	<u>185,750</u>
Cash and cash equivalents at start of the year		<u>(5,611)</u>	<u>(191,360)</u>
Cash and cash equivalents at end of the year		<u>1,094,013</u>	<u>(5,611)</u>

Analysis of changes in Net Debt

	Brought Forward Apr-24	Cashflows	Other non-cash Changes	Carried Forward Mar-25
Cash and cash equivalents	(5,611)	1,099,624	-	1,094,013
Borrowings				
Debt due within one year	(309,500)	-	(1,040,500)	(1,350,000)
Debt due after one year	<u>(13,526,249)</u>	<u>900,000</u>	<u>1,040,500</u>	<u>(11,585,749)</u>
	<u>(13,835,749)</u>	<u>900,000</u>	<u>-</u>	<u>(12,935,749)</u>
Total	<u>(13,841,360)</u>	<u>1,999,624</u>	<u>-</u>	<u>(11,841,736)</u>

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES for the year ended 31 MARCH 2025

	Share capital £	Restricted reserve £	Revenue reserve £	2025 Total £	2024 Total £
Reserves					
Balance at 1 April	14	-	(131,112)	(131,098)	1,433,699
Total comprehensive income for the year	-	-	1,474,293	1,474,293	(1,564,797)
Adjustment	-	-	-	-	-
Transfer between reserves	-	-	-	-	-
Balance at 31 March	<u>14</u>	<u>-</u>	<u>1,343,181</u>	<u>1,343,195</u>	<u>(131,098)</u>

## LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2025

#### 1. Legal Status

Squared is incorporated in England and Wales 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's principal activities are stated in Report of the Board of Management on page 3.

Squared's 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's 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) and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022 ("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 revaluation of certain assets in accordance with Squared's accounting policies.

The financial statements are presented in sterling, which is the functional currency of the entity. Monetary amounts in the financial statements are rounded to the nearest pound (£).

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 2025 (continued)

#### 2. Principal accounting policies (continued)

##### ***Going Concern***

###### Assessment

In accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Board of Management have considered a period of 12 months from the date of signing of these financial statements in determining whether the going concern basis remains appropriate for the preparation of the financial statements.

Since April 2024, Squared's performance has surpassed all aspects of its business plan and the business has returned to generating a surplus, as reflected in these financial statements. A new funding agreement is in place until September 2026 and negotiations are underway to obtain funding beyond this point. In addition, Squared continues to have over 350 unsecured properties with a market value of £50m.

On this basis, the Board has a reasonable expectation that Squared 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 have therefore concluded it remains appropriate to adopt the going concern basis for preparing the financial statements.

##### ***Turnover***

Turnover represents rental income receivable, supporting people income, fees and revenue grants receivable from customers, local authorities (Luton Borough Council and Central Bedfordshire Council) and Universal Credit from Department for Work & Pensions. Supporting people income is made up of grants received from Luton Borough Council and revenue funding from Homes England.

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 for general needs properties subject to variable service charges.

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

## LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2025 (continued)

#### 2. Principal accounting policies (continued)

##### *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. Squared accounts for its capital 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.

Expenditure on items not separately identified as components is capitalised if it results 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.

##### Unit B2, Bramingham Business Park

This property is used for administrative purposes and is also rented out to external local businesses. 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. Depreciation is charged to the Income Statement on an annual pro rata basis as follows:

	<b>Rate</b>	<b>Basis</b>
Office improvement works	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

## LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2025 (continued)

#### 2. Principal accounting policies (continued)

##### ***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 assets without physical substance, which are measured at cost and will be written off as benefits are derived as follows:

	<b>Rate</b>	<b>Basis</b>
Software	10%	Straight line

##### ***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 deferred and shown as a liability in the Statement of Financial Position.

##### ***Short term employee benefits***

###### Pension costs

Squared 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 2025 (continued)

#### 2. Principal accounting policies (continued)

##### *Employee termination benefits*

Where Squared 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 Squared 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 Squared 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 2025 (continued)

#### 2. Principal accounting policies (continued)

##### *Financial Instruments (continued)*

Financial assets are derecognised when and only when:

- the contractual rights to the cash flows from the financial asset expire or are settled;
- Squared transfers to another party substantially all the risk and rewards of ownership of the financial asset; or
- Squared, 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. Squared 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. Squared'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 2025 (continued)

#### 2. Principal accounting policies (continued)

##### *Non-financial Assets (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 T/A SQUARED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2025 (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 came to an end in 2019/20, this was a trigger for impairment and a 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 our 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 2025 (continued)

#### 2. Principal accounting policies (continued)

##### *Judgements and estimates (continued)*

###### Basic versus other

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

###### Bad debt provision

The trade debtors balance of £1,736,406 (2024: £1,545,431) recorded in Squared's statement of financial position comprises a relatively large number of small balances. All former tenant balances are provisioned in full and specific current tenant provisions are made where necessary following review by operational teams.

###### PLS hand back 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 £1,500, 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 year.

###### Valuation of investment property

After initial recognition in October 2015, investment property is measured at its fair value based on the valuation in April 2021 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. Management do not consider that there has been a material change to the value of the property since the valuation date.

###### 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 2025 (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 Squared 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.

##### ***Landlord Leasing Schemes***

The property leases are taken out for durations of two to three years. The assets are not reflected in Squared's statement of financial position.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2025 (continued)

2(a) Turnover, operating costs and operating surplus

		2025			2024		
	Notes	£	Operating costs	Operating surplus/ (deficit)	Turnover	Operating costs	Operating surplus/ (deficit)
		£		£	£		£
Social Housing Lettings	2 (b)	7,928,177	(5,970,436)	1,957,741	7,433,279	(7,080,577)	352,702
Other Social Housing Activities		324,393	(1,243,657)	(919,264)	348,145	(1,212,392)	(864,247)
Development overheads not capitalised		-	-	-	-	(289,303)	(289,303)
Total		8,252,570	(7,214,093)	1,038,477	7,781,424	(8,582,272)	(800,848)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2025 (continued)

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

	2025				2024			
	Supported Housing £	General Housing £	Landlord Leasing £	Total £	Supported Housing £	General Housing £	Landlord Leasing £	Total £
Income from social housing lettings								
Rent receivable net of identifiable service charges	1,436,404	2,397,121	1,429,175	5,262,700	1,352,146	2,174,484	1,542,060	5,068,690
Service charges receivable	1,984,299	155,458	246	2,140,003	1,591,551	140,071	-	1,731,622
Net rents receivable	3,420,703	2,552,579	1,429,421	7,402,703	2,943,697	2,314,555	1,542,060	6,800,312
Amortisation of government grant	29,529	108,646	-	138,175	17,372	118,437	-	135,809
Revenue grants receivable	354,761	-	-	354,761	304,639	-	-	304,639
Donations and other income	72,734	475	(40,204)	33,005	51,373	-	122,648	174,021
Fees from schemes managed by agents	-	-	(467)	(467)	18,438	-	-	18,438
Total income from social housing lettings	3,877,727	2,661,700	1,388,750	7,928,177	3,335,579	2,432,992	1,664,708	7,433,279
Expenditure on social housing letting activities								
Services	526,224	138,681	3,690	668,595	591,369	162,395	864	754,628
Management	1,345,754	749,022	560,431	2,655,207	1,466,773	732,175	625,753	2,814,701
Routine maintenance	128,059	250,820	74,942	453,821	379,573	402,647	20,252	802,472
Rent losses from bad debts	83,007	25,776	94,864	209,647	140,784	13,058	251,408	405,250
Major repairs expenditure	-	21,509	-	21,509	368	82,723	10,629	93,720
Depreciation of housing properties	83,093	333,110	20,201	436,404	80,677	331,593	19,489	431,759
Private Leasing Scheme - landlords' rent/incentive	481,029	-	1,044,224	1,525,253	444,300	-	1,332,747	1,778,047
Operating surplus on social housing letting activities	2,653,166	1,518,918	1,798,352	5,970,436	3,093,844	1,724,591	2,262,142	7,080,577
Rent loss from voids	1,224,561	1,142,762	(409,602)	1,957,741	241,735	708,401	(597,434)	352,702
	(123,523)	(21,563)	(34,643)	(179,729)	(264,562)	(21,232)	(19,638)	(305,432)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2025 (continued)

3	Key management personnel	2025 £	2024 £
	Expense payments made to the Board of Directors of the association	3,949	1,551
	Aggregate remuneration for key management personnel		
	Basic salary	296,165	188,342
	Benefits in kind	2,917	5,935
	Pension contributions	19,800	52,028
		318,882	246,305
	National insurance contributions	35,740	22,494
		354,622	268,799

Key management personnel have remained at 3 in the Leadership Team.

Emoluments of highest paid director, the Chief Executive (excluding pension contributions, including benefits in kind and excluding employers NI)	93,399	44,370
---	--------	--------

Squared currently operates a Group Personal Pension Scheme which is funded by contributions from Squared and the individual. The Chief Executive is an ordinary member of the pension scheme, and Squared's contribution was 6.5% for the year, amounting to £6,016 (2024: £9,979).

Related party transactions

Squared purchased printing services valued at £1,099 (2024: £1,293) 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:	2025 No.	2024 No.
---	-------------	-------------

Office staff	27	27
Residential staff, caretakers, maintenance workers and cleaners	33	31
	60	58

	2025 £	2024 £
Staff costs (for the above persons):		
Wages and salaries	2,026,191	2,098,348
Social security costs	187,373	187,561
Other pension costs	103,428	105,252
Redundancy payments	1,010	1,535
	2,318,002	2,392,696

There were employees who earned more than £60,000 as follows	2025	2024
	Number of Employees	Number of Employees
Band		
£90,000 - £100,000	1	-
£70,000 - £80,000	1	1
£60,000 - £70,000	1	1
	3	2



LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2025 (continued)

5	Interest receivable and similar income	2025 £	2024 £
	Interest on deposit accounts	<u>9,902</u>	<u>2,225</u>
6	Total Interest payable less interest capitalised	2025 £	2024 £
	On bank loans, overdrafts and other loans:		
	Total Interest payable during the year	1,028,941	1,030,665
	Interest capitalised during the year	<u>-</u>	<u>28,946</u>
		<u>1,028,941</u>	<u>1,001,719</u>
7	Operating surplus	2025 £	2024 £
	Surplus on ordinary activities is stated after charging:		
	Depreciation	536,911	459,218
	Auditor's remuneration in their capacity as auditors (excl. VAT)	9,000	9,000
	Operating rentals - land and buildings	1,525,253	1,778,047
	Operating rentals - plant and machinery	<u>37,133</u>	<u>45,522</u>
8	Taxation		
	Squared 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 2025 Squared is committed to the total following minimum lease payments in respect of non-cancellable operating leases :		
		2025 £	2024 £
	Land and buildings		
	Within one year	1,229,702	1,405,834
	Between two and five years	<u>473,546</u>	<u>823,925</u>
		£	£
	Plant and machinery		
	Within one year	37,133	45,522
	Between two and five years	<u>7,353</u>	<u>37,472</u>

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2025 (continued)

10a Tangible fixed assets

	Housing properties held for letting owned	Housing properties held for leased improvements	Housing properties currently under construction	Total Housing properties	Office Bramingham Head Office owned	Intangibles	Motor vehicles, fixtures fittings & other equipment	2025 Total	2024 Total
	£	£	£	£	£	£	£	£	£
<b>Cost</b>									
At beginning of year	32,271,758	155,189	70,238	32,497,185	426,712	208,137	1,385,833	34,517,867	35,515,705
Additions to properties	123,158	-	-	123,158	-	198,922	131,545	453,625	529,386
Work to existing properties	234,423	-	-	234,423	-	-	-	234,423	508,374
Transfers	-	-	-	-	-	-	-	-	-
Disposals	(1,026,756)	-	(70,238)	(1,096,994)	-	-	(476,854)	(1,573,848)	(2,035,598)
At end of year	31,602,583	155,189	-	31,757,772	426,712	407,059	1,040,524	33,632,067	34,517,867
<b>Depreciation</b>									
At beginning of year	6,448,707	155,189	-	6,603,896	32,105	2,793	1,084,248	7,723,042	7,754,485
Charge for the year	438,443	-	-	438,443	3,717	-	94,750	536,911	460,148
Transfers	-	-	-	-	-	-	-	-	-
Disposals	(299,214)	-	-	(299,214)	-	-	(475,756)	(774,970)	(491,591)
At end of year	6,587,936	155,189	-	6,743,125	35,822	2,793	703,242	7,484,982	7,723,042
Depreciated cost	25,014,647	-	-	25,014,647	390,890	404,266	337,282	26,147,085	26,794,825
<b>Social Housing &amp; Other Grants</b>									
At the beginning of the year	12,892,894	-	-	12,892,894	-	-	-	-	-
Receivable during the year	-	-	-	-	-	-	-	-	-
Amortised in the year	(138,175)	-	-	(138,175)	-	-	-	-	-
Recovered in the year	278,411	-	-	278,411	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At end of year	13,033,130	-	-	13,033,130	-	-	-	-	-

The total Social Housing Grant received at the balance sheet date was £16,430,446 (2024: £16,430,446)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2025 (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 Bramingham Head Office owned	Intangibles	Motor vehicles, fixtures & fittings & other equipment	2025 Total	2024 Total
Net book value At 31 March 2025	£ 25,014,647	£ -	£ -	£ 25,014,647	£ 390,890	£ 404,266	£ 337,282	£ 26,147,085	£ 26,794,825
At 31 March 2024	25,823,051	-	70,238	25,893,289	394,607	205,344	301,585	26,794,825	
Cost	2025 Total £	2024 Total £							
Housing properties comprise:	27,276,529	28,054,774							
Freehold	4,481,243	4,442,411							
Long leasehold	31,757,772	32,497,185							

During the year, £379,090 (2024: £730,031) 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 2025 (continued)

### 10b Housing Properties

	Land	Structure	Other Components	2025	2024
	£	£	£	£	£
<b>Cost</b>					
At beginning of year	7,784,954	16,848,581	7,793,412	32,426,947	32,393,723
Additions to properties	-	6,540	116,618	123,158	1,273,395
Component replacements	-	-	234,423	234,423	508,374
Disposals	(256,404)	(460,126)	(310,226)	(1,026,756)	(1,748,545)
At end of year	7,528,550	16,394,995	7,834,227	31,757,772	32,426,947
<b>Depreciation</b>					
At beginning of year	-	3,088,189	3,515,707	6,603,896	6,664,137
Charge for the year	-	164,720	273,723	438,443	431,350
Debn on disposal	-	(107,447)	(191,767)	(299,214)	(491,591)
At end of year	-	3,145,462	3,597,663	6,743,125	6,603,896
<b>Net book value</b>					
At 31 March 2025	7,528,550	13,249,533	4,236,564	25,014,647	25,823,051
At 31 March 2024	7,784,954	13,760,392	4,277,705	25,823,051	

Under most circumstances, if housing properties are disposed of Social Housing Grant is repayable to Homes England or subject to restrictions on permitted 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 2025 (continued)

11	Debtors	2025 £	2024 £
	Amounts falling due within one year:		
	Rental debtors	1,736,406	1,545,431
	Less: bad debt provision	<u>(1,490,014)</u>	<u>(1,301,195)</u>
		246,392	244,236
	Other debtors:		
	Buildings Insurance	84,028	73,226
	Others	<u>485,326</u>	<u>494,734</u>
		815,746	812,196

12	Creditors: amounts falling due within one year	2025 £	2024 £
	Rents in advance	271,761	266,953
	Taxation and social security payable	-	44,451
	Loan capital repayable within one year (see note 13)	1,350,000	309,500
	Private Leasing repairs provision	293,969	332,407
	Pension	350	20,356
	Accruals and deferred income	481,765	442,873
	Purchase ledger control account	123,637	323,537
	Deferred Income - capital grants	<u>138,175</u>	<u>135,809</u>
		2,659,657	1,875,886

13	Creditors: amounts falling due after more than one year	2025 £	2024 £
	Deferred grants	10,513,977	11,211,184
	Loans	11,585,749	13,526,249
	Recycled Grant Liability	<u>2,380,978</u>	<u>1,545,901</u>
		24,480,704	26,283,334

Housing loans from banks and building societies are secured by specific charges on Squared's housing properties and are repayable at an average rate of interest of 6.5% (2024: 6.8%) in instalments due as follows:

Loan Maturity Analysis	2025 £	2024 £
Less than one year	1,350,000	309,500
Between one and two years	11,585,749	619,000
Between two and five years	-	928,500
In five years or more	<u>-</u>	<u>11,978,749</u>
	12,935,749	13,835,749

# LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

## NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2025 (continued)

14	Non-equity share capital	2025 £	2024 £
	Allotted, issued and fully paid:		
	At beginning of year	14	14
	Added during the year	-	-
	Deducted during the year	-	-
	At end of year	<u>14</u>	<u>14</u>

Each member holds one share of £1 in Squared. 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 Squared's Annual and Special General Meetings.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2025 (continued)

15	Capital commitments	2025 £	2024 £
	Expenditure contracted for but not provided	-	-
	Expenditure approved but not contracted	-	-
		<u>-</u>	<u>-</u>

Squared is able to fund the expenditure above due to recently negotiated loan funding and property sales

16	Property units in management	2025 No.	2024 No.
	General needs housing - Social	329	345
	General needs housing - Affordable	12	12
	Supported - Social	67	91
	Sheltered - Social	28	28
	Supported House of Multiple Occupation	164	145
	Private Leasing Scheme	15	23
	Luton Lets Squared Joint Venture	84	112
	Total properties in management	<u>699</u>	<u>756</u>

164 HMO units (2024: 145) recategorised as Supported

	Property units owned	2025 No.	2024 No.
	General needs housing - Social	329	345
	General needs housing - Affordable	12	12
	Supported - Social	67	86
	Sheltered - Social	28	28
	Supported House of Multiple Occupation	44	44
	Private Leasing Scheme	4	4
	Luton Lets Squared Joint Venture	7	7
	Total properties owned	<u>491</u>	<u>526</u>

44 HMO units (2024: 44) recategorised as Supported

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2025 (continued)

17 Reconciliation of operating surplus to net cash inflow from operating activities

	2025 £	2024 £
Operating (deficit)/surplus	2,493,332	(565,303)
Depreciation of tangible assets	536,911	459,218
(Gain)/loss on disposal of fixed assets or asset replacement	(1,426,064)	(183,467)
Amortised grant received	(138,175)	(135,809)
Other non cash changes	(89,175)	64,214
	<u>1,376,829</u>	<u>(361,147)</u>
Working capital movements		
Increase in debtors	(3,550)	845,305
Increase in creditors	(118,859)	(61,154)
Net cash inflow from operating activities	<u>1,254,420</u>	<u>423,004</u>

18	Deferred capital grant	Capital Grant Fund £	Recycled Grant Fund £	2025 £	2024 £
	Aggregate amount received				
	At 1 April 2024	11,799,861	1,017,396	12,817,257	12,817,257
	Additions	-	-	-	-
	Transfer	(556,665)	556,665	-	-
	At 31 March 2025	<u>11,243,196</u>	<u>1,574,061</u>	<u>12,817,257</u>	<u>12,817,257</u>
	Released to Income & Expenditure				
	At 1 April 2024	(452,868)	528,505	75,637	(188,847)
	Released in the year	(138,175)	-	(138,175)	(135,809)
	Recovered in the year	-	278,411	278,411	400,293
	At 31 March 2025	<u>10,652,153</u>	<u>2,380,977</u>	<u>13,033,130</u>	<u>12,892,894</u>

19 Investment Properties

	2025 £	2024 £
Valuation		
At 1 April 2024	426,712	426,712
Additions	-	-
Revaluation	-	-
At 31 March 2025	<u>426,712</u>	<u>426,712</u>
Net Book Value		
At 31 March 2025	<u>426,712</u>	<u>426,712</u>
At 31 March 2024	<u>426,712</u>	

The investment property was revalued in 2021. Management consider there to be no material difference in fair value between the date of acquisition and the reporting date.



## Document Information

### Document

Title	Sqd122025YREND-DRAFTvFRS102v9
ID	4334a892-df83-43eb-b26a-a0d6398e90e6
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

### Recipients

Name	Role	Authentication	Sign time
Glyn Early <glyn.early@squared.org.uk>	Signer	Email	Wed, 10 Sep 2025 17:27:10 +0100
Claire Bryan <claire.bryan@squared.org.uk>	Signer	Email	Wed, 10 Sep 2025 17:28:10 +0100
David Cheesman <david.cheesman@squared.org.uk>	Signer	Email	Wed, 10 Sep 2025 17:37:49 +0100
Simon Goodridge <simon.goodridge@knoxcropper.com>	Signer	Email	Thu, 11 Sep 2025 13:25:15 +0100

### History

Event	Email	IP address	Date/Time
Sqd122025YREND-DRAFTvFRS102v9 created by Jacqueline Constantine	jacky.constantine@squared.org.uk	78.33.249.18	Wed, 10 Sep 2025 17:01:55 +0100
Sqd122025YREND-DRAFTvFRS102v9 emailed to Glyn Early	jacky.constantine@squared.org.uk		Wed, 10 Sep 2025 17:01:56 +0100
glyn.early@squared.org.uk opened email for document	glyn.early@squared.org.uk		Wed, 10 Sep 2025 17:23:50 +0100
Sqd122025YREND-DRAFTvFRS102v9			
Sqd122025YREND-DRAFTvFRS102v9 visited by Glyn Early	glyn.early@squared.org.uk	81.132.250.114	Wed, 10 Sep 2025 17:23:54 +0100
<glyn.early@squared.org.uk>			
Ticked checkbox for statement: I confirm that I am authorised to accept the terms of this document.	glyn.early@squared.org.uk	81.132.250.114	Wed, 10 Sep 2025 17:23:57 +0100
Ticked checkbox for statement: I understand that accepting the terms of this document creates a legally binding obligation.	glyn.early@squared.org.uk	81.132.250.114	Wed, 10 Sep 2025 17:23:58 +0100
Signature applied (page 20)	glyn.early@squared.org.uk	81.132.250.114	Wed, 10 Sep 2025 17:26:10 +0100
Signature applied (page 24)	glyn.early@squared.org.uk	81.132.250.114	Wed, 10 Sep 2025 17:26:56 +0100
Signature applied (page 25)	glyn.early@squared.org.uk	81.132.250.114	Wed, 10 Sep 2025 17:27:10 +0100
Sqd122025YREND-DRAFTvFRS102v9 completed by Glyn Early	glyn.early@squared.org.uk	81.132.250.114	Wed, 10 Sep 2025 17:27:10 +0100
<glyn.early@squared.org.uk>			
Sqd122025YREND-DRAFTvFRS102v9 emailed to Claire Bryan	jacky.constantine@squared.org.uk		Wed, 10 Sep 2025 17:27:11 +0100
Sqd122025YREND-DRAFTvFRS102v9 visited by Claire Bryan	claire.bryan@squared.org.uk	86.24.56.158	Wed, 10 Sep 2025 17:27:38 +0100
<claire.bryan@squared.org.uk>			
Ticked checkbox for statement: I confirm that I am authorised to accept the terms of this document.	claire.bryan@squared.org.uk	86.24.56.158	Wed, 10 Sep 2025 17:27:47 +0100
Ticked checkbox for statement: I understand that accepting the terms of this document creates a legally binding obligation.	claire.bryan@squared.org.uk	86.24.56.158	Wed, 10 Sep 2025 17:27:49 +0100
Signature applied (page 20)	claire.bryan@squared.org.uk	86.24.56.158	Wed, 10 Sep 2025 17:27:59 +0100
Signature applied (page 24)	claire.bryan@squared.org.uk	86.24.56.158	Wed, 10 Sep 2025 17:28:05 +0100
Signature applied (page 25)	claire.bryan@squared.org.uk	86.24.56.158	Wed, 10 Sep 2025 17:28:09 +0100
Sqd122025YREND-DRAFTvFRS102v9 completed by Claire Bryan	claire.bryan@squared.org.uk	86.24.56.158	Wed, 10 Sep 2025 17:28:10 +0100
<claire.bryan@squared.org.uk>			

Sqd122025YREND-DRAFTvFRS102v9 emailed to David Cheesman	jacky.constantine@squared.org.uk		Wed, 10 Sep 2025 17:28:11 +0100
Sqd122025YREND-DRAFTvFRS102v9 visited by David Cheesman	david.cheesman@squared.org.uk	31.52.190.135	Wed, 10 Sep 2025 17:37:07 +0100
<david.cheesman@squared.org.uk> Ticked checkbox for statement: I confirm that I am authorised to accept the terms of this document.	david.cheesman@squared.org.uk	31.52.190.135	Wed, 10 Sep 2025 17:37:11 +0100
Ticked checkbox for statement: I understand that accepting the terms of this document creates a legally binding obligation.	david.cheesman@squared.org.uk	31.52.190.135	Wed, 10 Sep 2025 17:37:13 +0100
Browser geo-location provided: Lat 51.9093899045403, Long -0.41959770757128484	david.cheesman@squared.org.uk	31.52.190.135	Wed, 10 Sep 2025 17:37:21 +0100
Signature applied (page 24)	david.cheesman@squared.org.uk	31.52.190.135	Wed, 10 Sep 2025 17:37:45 +0100
Signature applied (page 25)	david.cheesman@squared.org.uk	31.52.190.135	Wed, 10 Sep 2025 17:37:49 +0100
Sqd122025YREND-DRAFTvFRS102v9 completed by David Cheesman	david.cheesman@squared.org.uk	31.52.190.135	Wed, 10 Sep 2025 17:37:49 +0100
<david.cheesman@squared.org.uk> Sqd122025YREND-DRAFTvFRS102v9 emailed to Simon Goodridge	jacky.constantine@squared.org.uk		Wed, 10 Sep 2025 17:37:50 +0100
simon.goodridge@knoxcropper.com opened email for document	simon.goodridge@knoxcropper.com		Thu, 11 Sep 2025 13:23:55 +0100
Sqd122025YREND-DRAFTvFRS102v9 Sqd122025YREND-DRAFTvFRS102v9 visited by Simon Goodridge	simon.goodridge@knoxcropper.com	109.149.186.98	Thu, 11 Sep 2025 13:24:07 +0100
<simon.goodridge@knoxcropper.com> Ticked checkbox for statement: I confirm that I am authorised to accept the terms of this document.	simon.goodridge@knoxcropper.com	109.149.186.98	Thu, 11 Sep 2025 13:24:19 +0100
Ticked checkbox for statement: I understand that accepting the terms of this document creates a legally binding obligation.	simon.goodridge@knoxcropper.com	109.149.186.98	Thu, 11 Sep 2025 13:24:21 +0100
Browser geo-location provided: Lat 51.40151692889223, Long -0.24952502140309255	simon.goodridge@knoxcropper.com	109.149.186.98	Thu, 11 Sep 2025 13:24:22 +0100
Signature applied (page 23)	simon.goodridge@knoxcropper.com	109.149.186.98	Thu, 11 Sep 2025 13:25:14 +0100
Sqd122025YREND-DRAFTvFRS102v9 completed by Simon Goodridge	simon.goodridge@knoxcropper.com	109.149.186.98	Thu, 11 Sep 2025 13:25:15 +0100
<simon.goodridge@knoxcropper.com> 'Sqd122025YREND-DRAFTvFRS102v9' completed by all recipients.	jacky.constantine@squared.org.uk		Thu, 11 Sep 2025 13:25:15 +0100