



LUTON COMMUNITY HOUSING LIMITED

trading as

SQUARED

FINANCIAL STATEMENTS

For the year ended

31 March 2026

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

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LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

BOARD MEMBERS AND ADVISORS

BOARD OF MANAGEMENT

Glyn Early	Chair
David Cheesman	Vice Chair
Iain Smith	
Mostaque Koyes	
Jo Simcox	
Jesse Fajemisin (co-opted member)	
Allison Lobb (co-opted member)	
Tina Collins (co-opted member)	

SECRETARY

Claire Bryan

REGISTERED OFFICE

Bramingham Business Centre
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 2026. 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 £470,365 in 2026 compared with a surplus of £1,329,079 in 2025 increasing reserves to £1,668,332. This surplus was generated from a turnover of £8,152,980 (2025: £8,107,356).

Capital assets

Housing properties are included on the balance sheet at their net book value, after the deduction of depreciation, of £23,697,041 (2025: £25,014,647).

	2026		2025	
	£		£	
Historical cost	30,635,262		31,757,772	
Depreciation	<u>6,938,221</u>		<u>6,743,125</u>	
Depreciated cost	23,697,041		25,014,647	
Financed by:				
- Grants	12,741,283	(42%)	12,940,923	(41%)
- Loans	12,000,000	(39%)	12,935,749	(41%)
- Reserves	1,668,346	(5.4%)	1,197,981	(4.2%)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

HOMES

Customers

In April 2026, 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 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 have been able to sign up 200 customers on the new portal. Our team continues to work on actively encouraging customers to sign up to the new customer portal.

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 most recent customer satisfaction survey was carried out in 2025-26 and this independent survey includes 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 in accordance with the Transparency, Influence and Accountability regulatory standard.

Housing for older people

There were 28 properties at Squared designated for older people in the year (2025: 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 2026 there were 206 units in management (2025: 208). There were 15 new leases signed (2025: 9), 15 leases were renewed (2025: 42) and 16 leases ended in order for properties to be returned to the landlords (2025: 28). 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 WITH SUPPORT

Hostels

Our supported housing team continue to work with the local authority, Luton Borough Council. We provided support to 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.

During 2025-26 we also continued to work closely with local support agencies to help to provide wrap around support for customers for mental and physical health issues, substance use, education, employment and independent living skills.

We took the decision to close down our Unaccompanied Asylum Seeker Children service due to a reduction in the demand for this provision. This resulted in a total of 57 units within the Hostels, split across 6 hostels (2025: 7).

We have seen an increase in customers working and have been developing processes to support with managing their finances and sourcing appropriate move on accommodation such as private renting, social housing or through our own Squared housing provisions.

Houses in Multiple Occupation (HMOs)

During the year 2025-26, 178 units (2025: 164) 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, offending and immigration increasing the level of support needed.

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 2025-26.

Homes England revenue funding of £33,088 was receivable in the year (2025: £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 2025-26, Homes England confirmed an extension of the funding extended for a sixth year of £33,088.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

HOMES WITH SUPPORT (continued)

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

During 2025-26, Squared continued to invest in maintaining the quality and condition of its housing stock, excluding overheads, £306,842 (2025: £453,821) was spent on responsive maintenance and £257,504 (2025: £356,735) was invested in planned replacement works, including kitchens, bathrooms, boilers and other key building elements. This investment supported the delivery of safe, decent and sustainable homes, protected the long-term value of Squared's housing assets and helped ensure compliance with statutory and regulatory requirements.

Repairs and Maintenance

4,597 repairs were recorded on the system during the year, with emergency repairs completed within target and routine repairs performance remaining strong overall. A review of the Repairs and Maintenance service was undertaken, resulting in a revised team structure designed to improve resilience, increase management capacity and strengthen accountability. The implementation of the MRI housing management system and customer portal also supported improvements in service delivery, customer access and operational efficiency.

Compliance and Building Safety

Maintaining compliance with landlord health and safety obligations remained a key priority throughout the year. Gas safety compliance was maintained at 100%, Fire Risk Assessments remained in date and significant progress was made in completing the EICR and EPC programmes. Additional activity was undertaken to strengthen fire safety arrangements, progress smoke and carbon monoxide alarm improvements and prepare for new electrical safety requirements for social landlords. This work supported customer safety, reduced regulatory risk and protected Squared's assets.

Damp and Mould (Awaab's Law)

In preparation for Awaab's Law, the Board approved a new Damp and Mould Policy and supporting procedures, with wider preparation also undertaken for the phased implementation of the legislation. These arrangements strengthened Squared's approach to identifying, monitoring and resolving damp and mould issues and support Squared's commitment to providing safe, healthy homes. Effective management of damp and mould risks also helps minimise future deterioration and associated remedial costs.

Asset Management and Investment

The Board approved a new Asset Management Strategy covering the period 2025/26 to 2029/30. The strategy provides a long-term framework for maintaining and investing in the housing portfolio and is supported by a five-year planned maintenance programme and the ongoing development of a 30-year investment plan. During the year, Squared commenced mobilisation of its capital investment programme following the procurement of AJS Ltd through a compliant framework arrangement, supporting future planned investment in customers' homes.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

PROPERTY SERVICES (continued)

Health and Safety

Property Services continued to strengthen the Health and Safety action plan, with actions actively managed and job-specific risk assessments under review. This strengthened assurance over customer and staff health and safety, risk management, regulatory compliance and operational control.

Cleaning and Gardening Services

Cleaning and Gardening Services a turnover of £266,560 (2025: £254,587) during the year. The service review strengthened management arrangements, accountability and operational resilience, while the teams continued to support communal area maintenance, void cleans and clearances, helping void properties to be completed within target.

Environmental Sustainability

During the year, the Board approved Squared's Environmental Sustainability Strategy 2025–2030, supported by an Environmental Sustainability Action Plan. These set out Squared's approach to improving energy efficiency, working towards minimum EPC C across rented homes by 2030 where feasible and progressing longer-term carbon reduction objectives. Activity in 2025/26 included energy efficient boiler works, A-rated window and door replacements, recycling improvements and preparation for wider use of paperless systems.

Value for Money

Property Services continued to focus on delivering value for money through strengthened financial controls, improved procurement arrangements, increased use of approved trade accounts and the introduction of fuel card controls. These initiatives support efficient use of resources while maintaining service quality and ensuring funds are directed towards maintaining and improving homes.

Property Purchases and Sales

There were 10 units sold in 2025-26 and no property purchases in the same period. Sales proceeds were £2.2m (2025: £2.5m) and accounting gain was £953k (2025: £1.45m). 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 £2.7m (2025: £2.3m).

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.

Our teams continue to be committed to implementing recommendations and improving health & safety practices. Annual mandatory training has continued with all managers and team members with certified Level 2 being undertaken for identified roles; 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.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

PROPERTY SERVICES (continued)

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 review, develop and strengthen Squared's Compliance Framework - and consolidate data.

The outcomes and recommendations of the review have helped us to continue to focus on and prioritise areas for improvement to minimise risk, keep everyone safe and protect our properties too. We 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.

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.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

PEOPLE EXCELLENCE (PEX) (continued)

Future proofing our staffing resources

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

Fair reward and recognition

In 2025/2026 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 focused on the development of our management team through re-invigorating our in-house Management Development programme, working through key management competencies and people management skills. Each line manager has an Individual Development Plan highlighting personalised development opportunities.

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 Team Member Conference.
- Engagement Survey (86% satisfaction on last survey).
- SquaredFest teambuilding day.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

PEOPLE EXCELLENCE (PEX) (continued)

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.

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.

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

THE BOARD

During the year, there were 3 additions to the membership of the Board of Management (2025: Nil). 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 8 board members. There are vacancies for up to 4 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)

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

Following a number of years of poor performance, in 2023 Squared embarked on a turnaround strategy to return the business to profitability.

Since April 2024, Squared's performance has surpassed all aspects of the business plan and this has returned to generating a surplus, as reflected in these financial statements. A new, long-term funding agreement was signed in March 2026 for the next 25 years. All financial covenants are being comfortably met and forecasts show continued surpluses being generated in the future.

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.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

INTERNAL CONTROL (continued)

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

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. 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 all of the applicable Regulator Standards Economic and Consumer Standards and Codes of Practice as well as the Housing Ombudsman's Complaint Handling Code.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

INTERNAL CONTROL (continued)

GOVERNANCE (continued)

The Board approved an Annual Business Framework that sets out the organisation's corporate planning calendar, detailing the timing of key Board, governance, financial, regulatory, operational and assurance activities for the financial year, helping to ensure effective oversight and compliance with statutory and regulatory requirements.

The Board has reviewed the organisation's compliance with the Regulator of Social Housing's Economic and Consumer Standards. Having considered the results of the annual self-assessment programme, internal assurance reporting, Tenant Satisfaction Measures, health and safety compliance reporting, complaints performance and risk management framework, the Board is satisfied that the organisation has complied in all material respects with the Regulatory Standards during the year. Where opportunities for improvement have been identified, action plans are in place and progress is monitored by the Board.

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.

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.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

VALUE FOR MONEY (continued)

Squared's vision is Inspiring Lives, our mission is to Place Customers at the heart of everything that we do by providing Homes Support and Opportunity. Squared's Strategic Ambition is to be a high performing smaller housing association consistently positioned in the upper quartiles in terms of performance benchmarking by delivering good quality, safe and secure homes to all our existing and new customers; as well as a major contributor to ending homelessness and reducing poverty in our local community

Squared's strategic pillars designed to achieve our Strategic Ambition are laid out in Business Plans for the period of 2025/26 to 2029/30:

- Our People – Value and invest in our people
- Our Partners – Deepen our partnership arrangements
- Our Customer Experience – Consolidation and continuous improvement
- Our Governance – Transparent and ethical governance

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. In accordance with requirements of the regulatory Value for Money standard, we will be guided by the Value for Money 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.

Squared's strategic objectives aligned to our Strategic Ambition and the Strategic Pillars are:

1. To deliver excellence in governance and financial management
"Providing robust direction and leadership to the highest standards of probity and transparency and assurance in our financial management to deliver our strategy and meet obligations."
2. To maximise operational efficiency across Squared in order to deliver excellent customer services
"Providing quality and value for money services, striving for excellence and continuous improvement."
3. To provide only good quality homes
"Providing homes that are of good quality, safe, secure, economical and accessible."
4. To be responsive to customer needs to further drive our services
"Improving service performance through customer feedback, scrutiny and partnership working."
5. To grow our service provision, where appropriate
"Providing long-term support and opportunity for our customers and the community; inspiring aspirations."
6. To build high performing teams and excellence in leadership and management
"Ensuring every team member understands their role and responsibilities in achieving our strategic goals"

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.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

VALUE FOR MONEY (continued)

Value for Money gains for 2025/26

- RDS servers migrated from one platform to another saved £10k per year.
- Switching phone system to another provider saved £12k per year
- Cancelling company income protection saved £20k per year
- Board member recruitment method saved at least £2k of advertising and introduction fees
- Introduction of fuel cards improving efficiency of admin, eliminating waste and misuse
- Switching printer security solution saved £1k per year
- Additional months of billboard advertising of Squared services obtained at no extra cost saving of £3.6k
- 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, diagnose issues in-house and reduce reactive callouts saving £1k per year

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.

Tenant Satisfaction Measures

We have carried out our second Tenant Satisfaction Survey (TSM) in 2025/26 and have been working on addressing any weaknesses. Results of this TSM survey revealed improved satisfaction levels from our customers on all but 2 questions, namely the Net Promoter Score and Complaint Handling experience. The TSM survey results have been published on our website www.squared.org.uk. We will continue to work on our service improvement plans linked to the survey result, to ensure continued improvement at the next TSM survey due in the autumn of 2027.

Findings from the TSM Survey 2025/26 indicate that we have more work to do to improve the Complaint Handling experience for customers because 48 customers advised that they had made a complaint within the previous 12 months. However, this does not align with the number of complaints recorded on our housing software system for that period.

Out of the 48 customers, 38 were happy to be identified, of whom we only hold 4 complaints cases for in that given period. This suggests that there is disparity we need to resolve between the understanding of our team and/or customers regarding what constitutes a complaint and what constitutes a service request.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

VALUE FOR MONEY (continued)

Peer Group Benchmarking

Squared is a member of a benchmarking group London South East Benchmarking Club (LSEBM), made of 36 members located in London and the South East area. The tools for our benchmarking activities are provided by the organisation Acuity Research & Practice Ltd. 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 LSEBM club benchmarks approximately 90 metrics covering satisfaction, allocations and lettings, capacity, income management, stock condition and asset management, value for money, regulation, and finance. The club is active in peer-to-peer support and members regularly assists one another with sector challenges. 15 of our peer group members took part in the 2026/27 benchmarking exercise for 2025/26 results (2025: 24).

Benchmarking results

During 2025-26, we used our internal benchmarking activities, with Leadership and Operational Teams to set targets for the future and agree action plans and service improvement plans linked to Squared's strategic objectives. The benefits of which have been in improvements in 26% [22 out of 83] (2025: 33%) of our KPIs, the majority of which link to building safety compliance. Out of approximately 90 plus metrics that are measured with our benchmarking group, highlights and lowlights are shown below.

Highlights

- Asbestos compliance increased from 60% to 100%, an improvement of 40 percentage points. Squared is now level with the 100% peer median.
- The percentage of homes rated EPC C or above increased from 47% to 68%, an improvement of 21 percentage points. Despite this progress, Squared remains 9.55 percentage points below the peer median of 77.55%.
- Stage 1 complaints reduced from 57 to 40 per 1,000 homes, while Stage 2 complaints reduced from 7 to 2 per 1,000 homes. Stage 1 volume is now exactly at the peer median, and Stage 2 volume is 3.99 cases below it.
- General Needs rent collection increased from 89% to 98%, an improvement of 9 percentage points. This is a strong year-on-year recovery, although performance remains one percentage point below the 99% peer median.
- Void turnaround improved, although it remains weak against peers. Average General Needs re-let time reduced from 76.8 to 64 days, while Housing for Older People re-let time reduced substantially from 101 to 63 days.
- First-time repair completion increased from 94% to 98%. This now exceeds the peer median of 93.3% by 4.7 percentage points. 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 work life.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

VALUE FOR MONEY (continued)

HIGHLIGHTS (continued)

- A new housing and finance software integrated solution with customer portal implemented last year continues to be developed, with future developments in reporting and automation to follow, as well as linked asset management and compliance tools being evaluated to make the right choice for Squared, enabling Squared to achieve our digital transformation objectives, automate more tasks so our teams can be more productive and future proof our technology use.

Lowlights – for service improvement plans

- Most recent repair satisfaction reduced from 88% to 79%, a nine-percentage-point deterioration. This is notable because operational repairs measures remain strong, suggesting a gap between repairs delivery statistics and residents' experience of the service. The result is eight percentage points below the 87% peer median.
- General Needs repairs satisfaction reduced from 72% to 62%, while overall satisfaction reduced from 65% to 59%. These results are respectively 8 and 21 percentage points below peer medians.
- Sickness absence increased from 5.5 to 9.4 working days per FTE. This is 3.1 days above the 6.3-day peer median, due to several team members on long term sickness.
- The proportion of homes failing the Decent Homes Standard increased from 0% to 2.3%. The peer median is zero, so this requires our attention despite the relatively modest percentage.
- Void turnaround improved year on year, although it remains week against our peer group.

Value for Money and RSH metrics

- Financial performance has stabilised, albeit with reduced margins due to lower property sales £953k (2025: £1.5m) than last year. All teams work closely together through finance business partnering approach to review costs in order to be able to adjust for variances to budget as soon as they arise. Although this does not significantly impact on our ranking in our peer group highlighting further action is required if we want to achieve our ambition of being in the upper quartiles of our benchmarking club.
- Gearing reduced from 46% to 40%. This is a six-percentage-point improvement year on year, although it remains substantially above the peer median of 19.275%.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

VALUE FOR MONEY (continued)

Other financial metrics

Return on assets

Financial metrics comparison year on year

	31 March 2026	31 March 2025
Tangible fixed assets	£25,147,628	£26,573,797
Surplus/(deficit) for the year	£470,351	£1,329,079
Return on Capital Employed (operating)	1.6%	3.5%
Return on Net Assets (overall)	5.2%	9.1%

Cost of delivering services

FINANCIAL RATIOS	31 March 2026	31 March 2025
Total borrowing to Net Worth (including acquisition costs)	0.70	0.69
Operating profit to Interest Payable	1.50	2.28
Value of charged properties to outstanding debt	156%	134%

Priority remedial actions

- We will continue training all team members on customer care and complaints handling to ensure the requirements of the Housing Ombudsman (HO) complaint handling code are fully understood by Squared team members. All new team members are expected to complete the HO dispute resolution training as well.
- Bad debts - review policy, procedures, process and approach to former and current customer arrears and bad debts was delayed and is now planned for winter 2026.
- Void – turnaround - review contractor performance for void works and increase pre-termination inspections to identify works before tenancies end.
- 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 2028.
- Continuing our efforts to improve customer attendance of the quarterly engagement meetings by having meetings more focused on the various customer groups.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

REPORT OF THE BOARD (continued)

VALUE FOR MONEY (continued)

PRIORITY REMEDIAL ACTIONS (continued)

- Asset management and compliance software implementation linked to new housing software system is planned to reduce reliance on spreadsheets, which will improve our effectiveness in planned maintenance activities and efficient management of compliance risks.

We expect these and existing service plans and actions to allow us to achieve our 2026/27 targets.

By order of the Board of Management

G.W.Early

.....
Glyn Early
Chair

Claire L. Bryan

.....
Claire Bryan
Secretary

30 September 2026

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LUTON COMMUNITY HOUSING LIMITED T/A SQUARED**

Opinion

We have audited the financial statements of Luton Community Housing Limited trading as Squared for the year ended 31st March 2026, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Capital and Reserves and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31st March 2026 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 HOUSING LIMITED T/A 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 Societies 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 Community Benefit Societies Act 2014, and the Housing and Regeneration Act 2008.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LUTON COMMUNITY HOUSING LIMITED T/A 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. 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
Chartered Accountants and Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD

30 September 2026

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 MARCH 2026

	Notes	2026 £	2025* £
Turnover	2(a)	8,152,980	8,107,356
Operating costs	2(a)	(7,742,569)	(7,214,093)
Operating surplus		<u>410,411</u>	<u>893,263</u>
Gain on property disposal		<u>952,892</u>	<u>1,454,855</u>
Interest receivable and other income	5	16,178	9,902
Interest payable and similar charges	6	(909,116)	(1,028,941)
Surplus for the year		<u>470,365</u>	<u>1,329,079</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>470,365</u>	<u>1,329,079</u>

*(Restated, see Note 2a)

These financial statements were approved on 30 September 2026 and were signed by:

Claire L. Bryan Secretary

David Cheesman Board member

G.W.Early Chair

The notes on pages 28 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 2026

	Notes	2026 £	2025* £
Tangible fixed assets			
Housing properties	10	23,697,041	25,014,647
Investment properties	19	426,712	426,712
Intangible fixed assets	10	359,862	404,266
Other tangible fixed assets	10	664,013	728,172
		<u>25,147,628</u>	<u>26,573,797</u>
Current assets			
Debtors due within one year	11	690,141	670,532
Cash and cash equivalents		<u>2,549,782</u>	<u>1,094,013</u>
		3,239,923	1,764,545
Creditors: amounts falling due within one year	12	<u>(2,010,024)</u>	<u>(2,659,657)</u>
		(2,010,024)	(2,659,657)
Net current assets/(liabilities)		<u>1,229,899</u>	<u>(895,112)</u>
Total assets less current liabilities		26,377,527	25,678,685
Creditors: amounts falling due after more than one year	13	(24,709,181)	(24,480,704)
Total net assets/(liabilities)		<u>1,668,346</u>	<u>1,197,981</u>
Capital and reserves			
Non-equity share capital	14	14	14
Revenue reserve		<u>1,668,332</u>	<u>1,197,967</u>
Total net assets		<u>1,668,346</u>	<u>1,197,981</u>

*(Restated, see Note 2a)

These financial statements were approved on 30 September 2026 and were signed by:

Claire L. Bryan
Secretary

David Cheesman
Board member

G.W.Early
Chair

The notes on pages 28 to 47 form part of these accounts.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

STATEMENT OF CASH FLOWS for the year ended 31 MARCH 2026

	Notes	2026 £	2025 £
Net cash generated from operating activities	17	<u>415,117</u>	<u>1,254,420</u>
Cash flow from investing activities			
Purchase of other fixed assets		(49,163)	(131,545)
Purchase of tangible fixed assets		(257,504)	(357,581)
Purchase of intangible fixed assets		-	(198,922)
Disposal Proceeds		2,177,250	2,452,291
Interest received		16,178	9,902
		<u>1,886,761</u>	<u>1,774,145</u>
Cash flow from financing activities			
Interest paid		(909,116)	(1,028,941)
New loan drawdown		11,646,507	-
Loan repaid		(11,583,500)	(900,000)
		<u>(846,109)</u>	<u>(1,928,941)</u>
Increase in cash		<u>1,455,769</u>	<u>1,099,624</u>
Cash and cash equivalents at start of the year		<u>1,094,013</u>	<u>(5,611)</u>
Cash and cash equivalents at end of the year		<u>2,549,782</u>	<u>1,094,013</u>

Analysis of changes in Net Debt

	Brought Forward Apr-25	Cashflows	Other non-cash Changes	Carried Forward Mar-26
Cash and cash equivalents	1,094,013	1,455,769	-	2,549,782
Borrowings				
Debt due within one year	(1,350,000)	996,507	-	(353,493)
Debt due after one year	<u>(11,585,749)</u>	<u>(60,758)</u>	-	<u>(11,646,507)</u>
	(12,935,749)	935,749	-	(12,000,000)
Total	<u>(11,841,736)</u>	<u>2,391,518</u>	-	<u>(9,450,218)</u>

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES for the year ended 31 MARCH 2026

	Share capital £	Restricted reserve £	Revenue reserve £	2026 Total £	2025* Total £
Reserves					
Balance at 1 April	14	-	1,197,967	1,197,981	(131,098)
Total comprehensive income for the year	-	-	470,365	470,365	1,329,079
Balance at 31 March	<u>14</u>	<u>-</u>	<u>1,668,332</u>	<u>1,668,346</u>	<u>1,197,981</u>

*(Restated, see Note 2a)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2026

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 2026 (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, long-term funding agreement was signed in March 2026 for the next 25 years. All financial covenants are being comfortably met and forecasts show continued surpluses being generated in the future.

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 2026 (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.

Bramingham Business Centre, Unit B2

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:

	Rate	Basis
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 2026 (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:

	Rate	Basis
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.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 MARCH 2026 (continued)

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.

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 2026 (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 2026 (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 2026 (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 2026 (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 £1,797,203 (2025: £1,736,406) 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 2026 (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 2026 (continued)

2(a) Turnover, operating costs and operating surplus

		2026			2025*		
		Turnover	Operating costs	Operating surplus/ (deficit)	Turnover	Operating costs	Operating surplus/ (deficit)
	Notes	£	£	£	£		£
Social Housing Lettings	2 (b)	7,808,356	(6,675,059)	1,133,297	7,782,963	(5,970,436)	1,812,527
Other Social Housing Activities		344,624	(1,067,510)	(722,886)	324,393	(1,243,657)	(919,264)
Total		<u>8,152,980</u>	<u>(7,742,569)</u>	<u>410,411</u>	<u>8,107,356</u>	<u>(7,214,093)</u>	<u>893,263</u>

* Income for the year to 31 March 2025 has been reduced by £145,214, with a corresponding decrease in the Revenue reserve at 31 March 2025, to correct an overstatement of Income as at the 31 March 2025 year end.

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2026 (continued)

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

	2026				2025*			
	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	1,591,706	2,333,628	1,245,954	5,171,288	1,436,404	2,295,448	1,429,175	5,161,027
Service charges receivable	2,008,836	158,362	4,308	2,171,506	1,984,299	111,917	246	2,096,462
Net rents receivable	3,600,542	2,491,990	1,250,262	7,342,794	3,420,703	2,407,365	1,429,421	7,257,489
Amortisation of government grant	29,529	107,054	-	136,583	29,529	108,646	-	138,175
Revenue grants receivable	329,751	-	-	329,751	354,761	-	-	354,761
Donations and other income	840	-	(1,612)	(772)	72,734	475	(40,204)	33,005
Fees from schemes managed by agents	-	-	-	-	-	-	(467)	(467)
Total income from social housing lettings	3,960,662	2,599,044	1,248,650	7,808,356	3,877,727	2,516,486	1,388,750	7,782,963
Expenditure on social housing letting activities								
Revenue grants payable					-	-	-	-
Services	691,466	183,722	14,228	889,416	526,224	138,681	3,690	668,595
Management	1,510,909	998,664	642,960	3,152,533	1,345,754	749,022	560,431	2,655,207
Routine maintenance	137,804	254,349	29,353	421,506	128,059	250,820	74,942	453,821
Rent losses from bad debts	72,421	35,155	64,985	172,561	89,007	25,776	94,864	209,647
Major repairs expenditure	-	1,491	-	1,491	-	21,509	-	21,509
Depreciation of housing properties	82,850	332,788	19,794	435,432	83,093	333,110	20,201	436,404
Private Leasing Scheme - landlords' rent/incentive	710,541	-	891,579	1,602,120	481,029	-	1,044,224	1,525,253
	3,205,991	1,806,169	1,662,899	6,675,059	2,653,166	1,518,918	1,798,352	5,970,436
Operating surplus on social housing letting activities	754,671	792,875	(414,249)	1,133,297	1,224,561	997,568	(409,602)	1,812,527
Rent loss from voids	(165,736)	(33,135)	(66,932)	(265,803)	(123,523)	(21,563)	(34,643)	(179,729)

*(Restated, see Note 2a)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2026 (continued)

3	Key management personnel	2026 £	2025 £
	Expense payments made to the Board of Directors of the association	<u>2,297</u>	<u>3,949</u>
	Aggregate remuneration for key management personnel		
	Basic salary	299,806	296,165
	Benefits in kind	7,380	2,917
	Pension contributions	<u>20,846</u>	<u>19,800</u>
		328,032	318,882
	National insurance contributions	<u>41,968</u>	<u>35,740</u>
		<u>370,000</u>	<u>354,622</u>

Key management personnel have remained at 4 in the Leadership Team.

Emoluments of highest paid director, the Chief Executive (excluding pension contributions, including benefits in kind and excluding employers NI).

97,846	93,399
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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 6.6% for the year, amounting to £6,196 (2025: £6,016).

Related party transactions

Squared purchased printing services valued at £560.40 (2025: £1,099) 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:

2026 No.	2025 No.
-------------	-------------

Office staff	27	27
Residential staff, caretakers, maintenance workers and cleaners	<u>31</u>	<u>33</u>
	<u>58</u>	<u>60</u>

27	27
<u>31</u>	<u>33</u>
<u>58</u>	<u>60</u>

	2026 £	2025 £
--	-----------	-----------

	2026 £	2025 £
--	-----------	-----------

Staff costs (for the above persons):

Wages and salaries

2,136,032	2,026,191
-----------	-----------

Social security costs

261,586	187,373
---------	---------

Other pension costs

112,699	103,428
---------	---------

Redundancy payments

<u>6,773</u>	<u>1,010</u>
--------------	--------------

<u>2,517,090</u>	<u>2,318,002</u>
------------------	------------------

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

	2026	2025
--	------	------

Band

Number of Employees	Number of Employees
------------------------	------------------------

£90,000 - £100,000

1	1
---	---

£70,000 - £80,000

1	1
---	---

£60,000 - £70,000

<u>4</u>	<u>1</u>
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<u>6</u>	<u>3</u>
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LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2026 (continued)

5	Interest receivable and similar income	2026	2025
		£	£
	Interest on deposit accounts	<u>16,178</u>	<u>9,902</u>
6	Total Interest payable less interest capitalised	2026	2025*
		£	£
	On bank loans, overdrafts and other loans:		
	Total Interest payable during the year	909,116	1,028,941
	Interest capitalised during the year	-	-
		<u>909,116</u>	<u>1,028,941</u>
7	Operating surplus	2026	2025*
		£	£
	Surplus on ordinary activities is stated after charging:		
	Depreciation	578,342	536,911
	Auditor's remuneration in their capacity as auditors (excl. VAT)	11,950	9,000
	Operating rentals - land and buildings	1,602,119	1,525,253
	Operating rentals - plant and machinery	<u>4,511</u>	<u>37,133</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 2026 Squared is committed to the total following minimum lease payments in respect of non-cancellable operating leases :		
		2026	2025*
		£	£
	Land and buildings		
	Within one year	1,066,703	1,229,702
	Between two and five years	<u>483,295</u>	<u>473,546</u>
		£	£
	Plant and machinery		
	Within one year	4,511	37,133
	Between two and five years	<u>1,776</u>	<u>7,353</u>

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2026 (continued)

10a Tangible fixed assets

	Housing properties held for letting owned	Housing properties held for letting leased improvements	Housing properties currently under construction	Total Housing properties	Office Bramingham Head Office owned	Intangibles	Motor vehicles, fixtures fittings & other equipment	2026 Total	2025 Total
	£	£	£	£	£	£	£	£	£
Cost									
At beginning of year	31,602,583	155,189	-	31,757,772	426,712	407,059	1,040,524	33,632,067	34,517,867
Additions to properties	61,785	-	-	61,785	1,650	-	47,513	110,948	453,625
Work to existing properties	195,719	-	-	195,719	-	-	-	195,719	234,423
Transfers	-	-	-	-	-	-	-	-	-
Disposals	(1,380,014)	-	-	(1,380,014)	-	-	-	(1,380,014)	(1,573,848)
At end of year	30,480,073	155,189	-	30,635,262	428,362	407,059	1,088,037	32,558,720	33,632,067
Depreciation									
At beginning of year	6,587,936	155,189	-	6,743,125	35,822	2,793	703,242	7,484,982	7,723,042
Charge for the year	420,616	-	-	420,616	3,717	44,404	109,605	578,342	536,911
Transfers	-	-	-	-	-	-	-	-	-
Disposals	(225,520)	-	-	(225,520)	-	-	-	(225,520)	(774,970)
At end of year	6,783,032	155,189	-	6,938,221	39,539	47,197	812,847	7,837,804	7,484,982
Depreciated cost	23,697,041	-	-	23,697,041	388,823	359,862	275,190	24,720,916	26,147,085
Social Housing & Other Grants									
At the beginning of the year	13,033,130	-	-	13,033,130					
Receivable during the year	-	-	-	-					
Amortised in the year	(72,414)	-	-	(72,414)					
Recovered in the year	343,605	-	-	343,605					
Disposals	(243,897)	-	-	(243,897)					
At end of year	13,060,424	-	-	13,060,424					

The total Social Housing Grant received at the balance sheet date was £16,430,446 (2025: £16,430,446)

LUTON COMMUNITY HOUSING LIMITED T/A SQUARED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2026 (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	2026 Total	2025 Total
	£	£	£	£	£	£	£	£	£
Net book value									
At 31 March 2026	<u>23,697,041</u>	<u>-</u>	<u>-</u>	<u>23,697,041</u>	<u>388,823</u>	<u>359,862</u>	<u>275,190</u>	<u>24,720,916</u>	<u>26,147,085</u>
At 31 March 2025	<u>25,014,647</u>	<u>-</u>	<u>-</u>	<u>25,014,647</u>	<u>390,890</u>	<u>404,266</u>	<u>337,282</u>	<u>26,147,085</u>	
Cost	2026 Total	2025 Total							
Housing properties comprise:	£	£							
Freehold	26,138,040	27,276,529							
Long leasehold	<u>4,497,222</u>	<u>4,481,243</u>							
	<u>30,635,262</u>	<u>31,757,772</u>							

During the year, £257,504 (2025: £357,581) was spent on existing housing properties held for letting.

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2026 (continued)

10b Housing Properties

	Land	Structure	Other Components	2026	2025
	£	£	£	£	£
Cost					
At beginning of year	7,528,550	16,394,995	7,834,227	31,757,772	32,426,947
Additions to properties	-	-	61,785	61,785	123,158
Component replacements	-	-	195,719	195,719	234,423
Disposals	(347,431)	(673,001)	(359,582)	(1,380,014)	(1,026,756)
At end of year	7,181,119	15,721,994	7,732,149	30,635,262	31,757,772
Depreciation					
At beginning of year	-	3,145,462	3,597,663	6,743,125	6,603,896
Charge for the year	-	152,982	267,634	420,616	438,443
Depn on disposal	-	(79,112)	(146,408)	(225,520)	(299,214)
At end of year	-	3,219,332	3,718,889	6,938,221	6,743,125
Net book value					
At 31 March 2026	7,181,119	12,502,662	4,013,260	23,697,041	25,014,647
At 31 March 2025	7,528,550	13,249,533	4,236,564	25,014,647	

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".

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2026 (continued)

	Reconnect links	
	2026	2025
	£	£
11 Debtors		
Amounts falling due within one year:		
Rental debtors	1,797,203	1,591,192
Less: bad debt provision	<u>(1,662,575)</u>	<u>(1,490,014)</u>
	134,628	101,178
Other debtors:		
Buildings Insurance	66,473	84,028
Others	<u>489,040</u>	<u>485,326</u>
	<u>690,141</u>	<u>670,532</u>
	2026	2025
	£	£
12 Creditors: amounts falling due within one year		
Rents in advance	345,089	271,761
Taxation and social security payable	53,887	-
Loan capital repayable within one year (see note 13)	353,493	1,350,000
Private Leasing repairs provision	268,861	293,969
Pension	53	350
Accruals and deferred income	576,982	481,765
Purchase ledger control account	339,245	123,637
Deferred Income - capital grants	<u>72,414</u>	<u>138,175</u>
	<u>2,010,024</u>	<u>2,659,657</u>
	2026	2025
	£	£
13 Creditors: amounts falling due after more than one year		
Deferred grants	10,338,090	10,513,977
Loans	11,646,507	11,585,749
Recycled Grant Liability	<u>2,724,584</u>	<u>2,380,978</u>
	<u>24,709,181</u>	<u>24,480,704</u>

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 5.14% (2025: 6.5%) in instalments due as follows:

Loan Maturity Analysis	2026	2025
	£	£
Less than one year	353,493	1,350,000
Between one and two years	724,517	11,585,749
Between two and five years	1,175,495	-
In five years or more	<u>9,746,495</u>	<u>-</u>
	<u>12,000,000</u>	<u>12,935,749</u>

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2026 (continued)

14	Non-equity share capital	2026	2025
		£	£
	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.

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2026 (continued)

15	Capital commitments	2026 £	2025 £
	Expenditure contracted for but not provided	-	-
	Expenditure approved but not contracted	-	-
		<u>-</u>	<u>-</u>

16	Property units in management	2026 No.	2025 No.
	General needs housing - Social	321	329
	General needs housing - Affordable	12	12
	Supported - Social	60	67
	Sheltered - Social	28	28
	Supported House of Multiple Occupation	178	164
	Private Leasing Scheme	13	15
	Luton Lets Squared Joint Venture	72	84
	Total properties in management	<u>684</u>	<u>699</u>

178 HMO units (2025: 164) recategorised as Supported

Property units owned	2026 No.	2025 No.
General needs housing - Social	321	329
General needs housing - Affordable	12	12
Supported - Social	60	67
Sheltered - Social	28	28
Supported House of Multiple Occupation	51	44
Private Leasing Scheme	2	4
Luton Lets Squared Joint Venture	4	7
Total properties owned	<u>478</u>	<u>491</u>

51 HMO units (2025: 44) recategorised as Supported

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2026 (continued)

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

	2026 £	2025 £
Operating (deficit)/surplus	1,363,289	2,493,332
Depreciation of tangible assets	578,342	536,911
(Gain)/loss on disposal of fixed assets or asset replacement	(942,941)	(1,426,064)
Amortised grant received	(72,414)	(138,175)
Other non cash changes	(70,394)	(89,175)
	<u>855,882</u>	<u>1,376,829</u>
Working capital movements		
Increase in debtors	(19,609)	(3,550)
Increase in creditors	(421,156)	(118,859)
Net cash inflow from operating activities	<u>415,117</u>	<u>1,254,420</u>

18	Deferred capital grant	Capital Grant Fund £	Recycled Grant Fund £	2026 £	2025 £
	Aggregate amount received				
	At 1 April 2025	11,243,196	1,574,061	12,817,257	12,817,257
	Additions	-	-	-	-
	Transfer	(179,729)	179,729	-	-
	At 31 March 2026	<u>11,063,467</u>	<u>1,753,790</u>	<u>12,817,257</u>	<u>12,817,257</u>
	Released to Income & Expenditure				
	At 1 April 2025	(591,043)	806,916	215,873	75,637
	Released in the year	(72,414)	-	(72,414)	(138,175)
	Recovered in the year	(243,897)	343,605	99,708	278,411
	At 31 March 2026	<u>10,156,113</u>	<u>2,904,311</u>	<u>13,060,424</u>	<u>13,033,130</u>

19 Investment Properties

	2026 £	2025 £
Valuation		
At 1 April 2025	426,712	426,712
Additions	-	-
Revaluation	-	-
At 31 March 2026	<u>426,712</u>	<u>426,712</u>
Net Book Value		
At 31 March 2026	<u>426,712</u>	<u>426,712</u>
At 31 March 2025	<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.