

Populo Homes

Annual Report and Financial Statements

Year Ended

31 March 2025

Registered Housing No: 5114

Community Benefit Scheme No: RS008219

Populo Homes

Year ended 31 March 2025

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Populo Homes

Directors, Officers, Advisors and Banker

Board of Directors

Chair:

Pam Bhamra (appointed May 2024)

Vice Chair:

Sarah Wall (appointed May 2024, resigned August 2025)

Non-executive Directors:

Suzanne Forster (resigned April 2025)
Tonia Secker (resigned February 2025)
Tina Barnard (appointed June 2025)
Bobby Arthur (appointed July 2025)

Members

Pam Bhamra (appointed May 2024)
Suzanne Forster (resigned April 2025)
Deborah Heenan - Chief Executive
Tonia Secker (resigned February 2025)
Sarah Wall (appointed May 2024, resigned August 2025)
Tina Barnard (appointed June 2025)
Bobby Arthur – London Borough of Newham Appointee
(appointed July 2025)

Company Secretary

Louise
Graham-Smith

Registered office

Discover House Third Floor
379-381 High Street
London
E15 4QZ

Registered Number

Registered Housing No: 5114
Community Benefit Scheme No: RS008219

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Solicitor

Devonshire Solicitors LLP
30 Finsbury Circus
London
EC2M 7DT

Banker

Lloyds Bank
3rd Floor
25 Gresham Street
London
EC2V7HN

Populo Homes

Report of the Board of Management for the year ended 31 March 2025

The Board of Populo Homes ("PH") presents its report, together with its audited financial statements, for the year ended 31 March 2025.

Group structure and Principal Activities

PH was certified and registered as a provider of social housing by the Regulator of Social Housing ("RSH") on 05 November 2020, with the registration number 5114. PH is also registered as a charitable community benefit society as defined under the Co-operative and Community Benefit Society Act 2014, with the registration number 8219. PH is a subsidiary of the non-registered parent known as Populo Living Limited (PLL). PLL is in turn a wholly-owned company of the London Borough of Newham.

To protect the interests of PH and its social housing assets, a ringfencing agreement has been entered into between PH, PLL and the London Borough of Newham. To ensure regulatory compliance, the intention of the agreement is to set out how PLL and LBN recognise the responsibilities to comply with the regulations and standards issued by the Regulator of Social Housing ("RSH").

PH also has its own Board of Directors (members) which comprises of independent non-executive directors from experts in their field, PLL Executive Members, and LBN Council Appointees. Due to PH's independence, LBN are entitled to appoint up to 24% of composition of the PH Board. Additionally, the PH Board share a number of committees with the PLL Board as part of the Group structure, including the Audit and Risk Committee, the Development Committee, and the Remuneration Committee.. To maintain a quorate board, PH are actively recruiting new members. LBN are also regulated by the Regulator of Social Housing and the Housing Ombudsman, and thus are critically aware of the importance of ensuring that PH's social housing assets are protected.

Through PH's growth, the Populo Living Group provides a single Executive Management Team (EMT), in addition to housing management and corporate services. All staff who provide services to PH are employed directly by PLL. PLL and PH have entered into two intercompany agreements, a corporate services agreement, and management services agreement, which provide these services to PH. Any services that are provided to PH by PLL are therefore governed by these agreements, allowing PH effective oversight, and opportunity to test value for money, into the provision and quality of the services that are being provided to PH. These agreements have been agreed by both the PLL and PH Boards and have been issued to the RSH as part of the registration process.

As stated, PH is a charitable Community benefit society and as such acts for the public. PH was established to acquire and manage the affordable homes delivered by the Populo Group and therefore, its principal activity is the management of social housing assets.

Directors

The Directors who served during the year were:

Pam Bhamra (Non-Executive Director) – Appointed May 2024
Suzanne Forster (Non-Executive Director) – Resigned April 2025
Deborah Heenan (Populo Group Chief Executive Officer)
Tonia Secker (Non-Executive Director) – Resigned February 2025
Sarah Wall (Non-Executive Director) – Appointed May 2024 and Resigned August 2025
Tina Barnard – Appointed June 2025
Bobby Arthur – Appointed July 2025

Business Review

The financial statements presented are for the year ended 31 March 2025.

Populo Homes

Report of the Board of Management for the year ended 31 March 2025 (continued)

Business Review (continued)

As of 31 March 2025, PH had 251 homes in management, 235 at London affordable rent and 16 shared ownerships. This includes 28 homes at the Brickyard in East Ham which are held on a short term management lease prior to a formal purchase agreement being put in place.

PH turnover reduced to £2.8m in the year (2024: £3.0m), £2.8m from social housing lettings (2024: £2.5m) and £nil from first tranche shared ownership sales (2024: £0.5m). Total operating costs decreased to £1.5m (2024: £1.8m). PH incurred £1.5m interest and financing costs during the year (2024: £1.3m). As a result, PH generated a total comprehensive loss of £161k (2024: loss £33k).

During the year, Populo Homes has experienced a high number of staff changes, including the resignation of the PLL Finance Director and several Board members. Recognising the risks this presented to continuity and oversight, the Board commissioned an HR audit and the executive team has begun implementing its recommendations to strengthen recruitment, retention and leadership capability. Alongside this, an internal audit of Treasury Management and a review of finance processes were undertaken, resulting in updated policies and greater clarity of controls.

Health and safety has also been a significant area of focus. A breach of the regulatory standards was identified and reported to the Regulator of Social Housing. Following this, we have strengthened our approach by reviewing and updating health and safety policies and procedures, commissioning an internal audit of health and safety processes and data management, and reinforcing governance around reporting. A robust action plan is in place to drive continuous improvement, supported by the introduction of a new housing management system with enhanced compliance recording and reporting functionality.

To ensure our governance continues to meet the highest standards, the Board also commissioned an independent governance audit, with recommendations now forming part of a Governance Action Plan to be implemented in 2025/26. In addition, a new Chair of the Audit and Risk Committee (ARC) has been appointed and will be working more closely with ARC members, Executive Team and Board to strengthen assurance and oversight. These steps demonstrate our commitment to addressing challenges in a structured way, ensuring that Populo Homes remains financially resilient, well-governed, and fully compliant with the regulatory framework.

The Executive Management Team and the PH Board continue to regularly review the performance of PH and have implemented a suite of Key Performance Indicators ("KPIs") to aid monitoring.

Internal KPIs	2024/25 Target	2024/25 Actual	2023/2024 Actual
Health and Safety			
Gas Compliance	100%	100%	100%
Frie Safety Risk Assessment in place	100%	100%	100%
General			
Occupancy (LAR and Shared Ownership)	100%	99%	100%
Current Arrears (LAR and Shared Ownership)	3%	4%	7%
Former Arrears (LAR and Shared Ownership)	1%	1%	1%
Response Times			
% repairs completed within target time (overall)	95%	99%	100%
% of emergency repairs completed within the target time	100%	100%	100%
Customer Satisfaction and Responsiveness			
Tenant Satisfaction with the Repair	85%	74%	100%
Customer Satisfaction	75%	61%	63%

During the year a permanent Director of Customer Services was appointed focusing on the customer service experience, nurturing and leading a newly recruited Customer Services team and processes improvement for the department. This includes the procurement of a new housing management system and the focus on staff training with the aim of improving performance and controls.

Populo Homes

Report of the Board of Management for the year ended 31 March 2025 (continued)

Going concern

The EMT prepare a long-term plan for the PH Board to consider and approve. The business plan clearly sets out PH's plan for sustainable growth, as well as its adherence to all loan covenants and its ability to meet all financial liabilities. Sensitivity analyses, including multi-variate scenarios, are used to test the resilience of the business plan. Mitigation plans are then developed to provide the Populo Homes Board with assurance that these scenarios can be managed as far as possible. In addition, an operational cashflow has been produced for the next 12 months which shows an increasing cash position, after debt service.

PH has 251 homes in management from which it generates an operating surplus to pay its debt service obligations. Operating costs are fixed through management and costs service agreements with the parent Populo Living Ltd and effectively cross subsidises unexpected expenditure. The agreements are reviewed annually to ensure the correct level of costs are charged.

PH is forecast to adhere to all loan covenants and to meet all financial liabilities noting all debt has fixed interest rates. Covenant compliance is reviewed monthly and reported quarterly to both Boards and Shareholder. Forward looking metrics are now reported to enable early warning indicators and necessary mitigation steps avoiding breaches.

For these reasons PH continues to adopt the going concern concept in the financial statements.

Governance and Viability

The PH Board have adopted the National Housing Federation ("NHF") Model Rules "2015" and are compliant with, and refer to, the Co-operative and Community Benefit Societies Act 2014 for the running of any charitable community benefit society. These must be read alongside our NHF Model Rules 2015 'as amended' which incorporate and reflect the Populo Living Group Ringfencing Agreement between PLL, PH, and LBN. The Model Rules are also compliant with PH's obligations as a registered provider, specifically reflecting the provisions and requirements of the Housing and Regeneration Act 2008. Our Model Rules detail our processes for appointing, and reappointing new Board members, including the appointment of Council Appointees to the Board, terms periods, and how the Board permit delegated authority to officers.

The PH Board have adopted and complies with the National Housing Federation ("NHF") 2015 Code of Governance, which is read alongside our NHF Model Rules "2015".

An independent governance review against the NHF Code of Governance 2020 was carried out at the request of the Board. Recommendations to enable further transparency and control were shared in July 2025. A key outcome from this exercise was to formulate a Governance Action plan to be presented to the Populo Homes Board in September 2025. This will further strengthen both the ways of working between all stakeholders and ensure continual improvement of Governance policies, procedures and practices throughout PH's growth.

Prior to the governance review, an internal audit was also carried out to review Treasury Management. Subsequently financial policies have been updated and further documentation of procedures have been completed to address recommendations shared.

Risk Management

Risk management is important to PH, not only to ensure the protection of PH's social housing assets, and continuing to demonstrate regulatory compliance, but to further ensure that PH's residents are protected and provided a continued high quality service whilst staying within PH's homes. A value for money strategy paper has been put together for board approval and will, form part of the ongoing improvement with regards to economy, efficiency, effectiveness and environmental impact.

Risk management and mitigation is led by the Populo Living Group Executive Management Team (EMT), which reviews and improves an effective risk framework for identifying, monitoring and managing PH's strategic and operational risks, with the EMT periodically preparing the risk register for scrutiny by the PH Board and the PH Audit and Risk Committee (ARC). The ARC comprises of members of both the PL and PH Boards, who review PH's risk map and risk framework with a particular focus on emerging risks, high risks and any themes in risk, areas of control or assurance.

Populo Homes

Report of the Board of Management for the year ended 31 March 2025 (*continued*)

Risk Management (*continued*)

Furthermore, the PH risk register is also assessed against the Regulator of Social Housing's Sector Risk Profile. By updating the PH risk register in alignment with the Sector Risk Profile, this demonstrates Populo's awareness of the broader risks that effect the social housing sector in the UK, enabling Populo to plan and act to mitigate these risks, whilst further emphasising the importance of key responsibilities that the Board should continue to prioritise when seeking to mitigate these risks. The risk register is regularly updated, with PH continuing to receive advice from the Regulator of Social Housing on new and evolving risks in accordance with any updated Sector Risk Profile, and CPD training.

Finally, PH recognises its unique position being a subsidiary registered provider with an unregistered parent as defined under section 3.2 of the RSH Governance and Financial Viability Standard 2015. PH continues to oversee that PLL undertakes its responsibilities to ensure that PH maintains compliance and is appropriately resourced to deliver on its social goals as per its charitable objectives, the regulatory framework, and other relevant legislation and regulation.

The following risks have been identified at the year-end along with the mitigation actions to manage these risks, and are as follows:

Economic Downturn

Risk: The continuing economic downturn, often referred to as the "cost of living crisis," presents a wide range of risks to Populo Homes. For residents, rising energy, food, and household costs increase the likelihood of financial hardship, leading to higher arrears, bad debts, and greater vulnerability within our communities. For PH, persistent inflation and higher interest rates drive up the costs of management, maintenance, and borrowing, reducing the net return on homes and placing pressure on financial viability. In addition, a weaker economic environment risks constraining access to funding, limiting PH's ability to deliver growth and achieve its long-term social objectives. Taken together, these challenges threaten both the sustainability of operations and the capacity to deliver high-quality housing and services.

Mitigation: PH will continue to monitor the economy using recognised sources of data and will further develop stress testing scenarios and seek to mitigate against risks.

Recognising that tenants are at the heart of PH, we further understand the need to measure any rental increases to ensure the sustainability of our affordable housing units, with the ability of our tenants to sustain these increased costs. Our Populo Living Customer Services directorate ensures that rental increases still fall within the realm of affordability, undertake a more nuanced analysis in our tenant's ability to pay rental increases whilst still ensuring a positive standard of living in their new homes.

We have strengthened our income teams and the customer services directorate has now acquired increased capacity to work more closely with tenants to identify, where relevant, additional mechanisms to acquiring alternative funding support, and minimise and address any potential increases in arrears before they are worsened to unsustainable levels. Working closer with LBN as Populo's shareholder has also meant identifying greater efficiencies in identifying additional support and funding to those tenants struggling with the cost-of-living crisis.

We have experienced officers who are well versed in the support options for people who face difficulties paying their rents and can assist and signpost them to the appropriate agencies. We are introducing tenant portals across all of our homes which offer more flexibility around payment options and real time access to rent accounts and balances.

As a local authority housing company, Populo Homes are in the unique position to borrow at fixed rates for a loan period of 45 years, which improves the certainty and reduces the risk of any additional unwelcomed costs due to raised interest rates. This situates Populo Homes within the unique position in the market, and with our recent track record on delivery, means that we stand ready to take on any additional opportunities that may arise.

Finally, the Business Plan, Going Concern review, an internal and external audit programme together with Board Reports help raise, test, monitor and mitigate the pressures that stem from the Economic Downturn.

Populo Homes

Report of the Board of Management for the year ended 31 March 2025 (continued)

Health and Safety – Housing Management

Risk: Health and safety remain a critical priority to ensure the wellbeing of those residents and staff working within Populo's housing units and providing management services. The PH and PLL Boards are frequently presented with health and safety information to ensure that PH, through PLL's management services, are considered continually compliant with broader health and safety regulation and standards.

PH and PLL are engaged in a management services agreement which requires PLL to provide management services to all of PH affordable housing units, which includes health and safety management and due diligence. As PLL are providing these services on behalf of a registered provider, new development in social housing health and safety legislation (as identified in the Social Housing (Regulation) Act 2023) provides additional health and safety responsibilities and duties on management services. Failure to adapt to this regulation subsequently poses alternative risks on PH itself which may consequently lead to a breach of its own regulatory obligations as a social housing provider, resulting in the risk of incident, complaints to the Housing Ombudsman and Regulator of Social Housing, reputational damage, regulatory punitive action, as well as severe legal and cost implications.

Mitigation: Health and safety has been a significant focus during the year after a breach of the regulatory standards was discovered in Q3. This was reported to the regulator of social housing. Following the breach we have strengthened our approach to health and safety including reviewing associated policies and procedures, commissioning an internal audit of health and safety processes and data management, and strengthening our governance around health and safety reporting.

We have a robust action plan in place to ensure continuous improvement in relation to our health and safety management and we are introducing a new housing management system with enhanced compliance recording and reporting functions.

Health and Safety is also a recurring item within each of the PH and PLL Boards ensuring continuous oversight and accountability over ongoing maintenance and health and safety concerns. The implementation of a robust complaints procedure and system further ensures that customer complaints are addressed efficiently and in a timely manner, minimising any further deterioration of any raised maintenance complaints, whilst further enhancing the customers confidence and trust in Populo's professional practices.

Our mitigation approach embeds a safety culture via Group-wide policies and procedures, including Building Safety, Construction Design and Management (CDM), Procurement, Sickness Absence and Wellbeing policies. We have regular internal and external H&S audits and an internal H&S working group that aims to embed a safety-first culture across the business.

Resources

Risk: PH are reliant on the access of skilled staff and expertise to deliver developments, and undertake major repairs and maintenance, comply with health and safety standards, and ensure that our services to our tenants remain at the high standard that Populo aspires. The lack of necessary skilled workers in a tight labour market within areas such as building safety, and back-office support may threaten Populo's ability to deliver management services.

Mitigation: PH are dependent on PL to attract and retain a skilled workforce. PL greatly values its staff, understanding the critical role they play in providing a high-quality service to its residents and to the broader Newham community. Recognising the value of Populo's staff and the need to retain high quality talent, Populo offers a competitive benefits package to employees and there is a positive work/life balance. Populo has embraced flexible and hybrid working so that we can attract and retain talent and improve staff motivation whilst in turn boosting Populo's business's productivity, stability and competitiveness. An internal HR audit was carried out with outcomes shared in November 2024. Subsequent actions include a HR strategy paper to be approved, both leadership training and the submission of a staff survey for 2025/26 will be carried out.

Populo Homes

Report of the Board of Management for the year ended 31 March 2025 (continued)

Risk Management (continued)

Counterparty Risk

Risk: Populo Homes (PH) relies on Populo Living (PLL) under a management services agreement to deliver housing management services. PLL may subcontract certain responsibilities to third-party providers, creating exposure to: Third-party risks – financial and operational fragility of contractors, suppliers, and service providers, particularly in the current environment of rising costs, high inflation, and interest rate pressures. Failure of a third party to deliver could result in poor service standards, increased complaints, resident dissatisfaction, or risk of harm to tenants. PLL and Council risks – PH is dependent on PLL for staffing, systems, treasury management, and compliance oversight, and on the London Borough of Newham (LBN) as ultimate parent. If PLL or LBN fail to provide adequate support or resources, PH could face challenges in meeting its regulatory requirements, governance standards, and financial commitments.

Mitigation: PH mitigates counterparty risk through a combination of governance, contractual, and financial safeguards. The PH Board maintains independent oversight of the services delivered by PLL, supported by performance monitoring, contractual reporting, and escalation routes where standards are not met. The management services and cost-sharing agreements set out defined roles, responsibilities, and service standards, ensuring accountability remains with PLL and protecting PH's interests. PH's financial resilience is safeguarded through ringfenced cash arrangements, robust treasury controls, and close oversight of intragroup transactions. In addition, the Board regularly reviews service performance and compliance to provide assurance that regulatory requirements are met and tenant wellbeing is protected. To strengthen assurance further, Populo has commissioned both a Health and Safety audit and a governance audit, reinforcing a culture of continuous improvement and ensuring critical functions are managed effectively. Alongside this, PLL monitors the financial health and performance of third-party contractors through Service Level Agreement reviews and insurance checks against all suppliers across all entities in order to minimise disruption should a provider underperform or fail. The PH Board and EMT ensure that there are effective monitoring and due diligence processes in place to assess the financial and operational health and robustness in delivering our important management services to tenants. These policies and procedures are in turn audited by internal audit to ensure the robustness of controls.

Delivering against expectations

Risk: PH must be able to balance and navigate a range of competing demands from stakeholders including the Populo Living Group sole shareholder, LBN, Board members, and resident tenants. Failure to consider competing demands and communicating choices to meet those demands may have a significant impact on the registered provider's ability to ensure the effective delivery of its housing and management services. Not only can this increase the risk of regulatory breaches but may also infringe upon PH's ability to meet its own charitable and social value objectives as a provider of social housing.

Mitigation: PH recognises the importance of balancing the expectations of its shareholder, the Group, regulators, tenants, and other stakeholders. To safeguard independence and ensure decisions are made in the best interests of tenants, the shareholder's representation on the PH Board is limited to 24% of total composition, allowing a broad mix of independent expertise and perspectives to guide strategic decision making. PH is also embedding the tenant voice more centrally in governance, consistent with the Transparency, Influence and Accountability Standard, through initiatives such as the new Residents' Forum, which provides direct input into tenant needs and priorities. Further protections are built into PH's ringfencing agreement and management services agreement, which preserve PH's ability to take independent decisions should wider Group interests conflict with PH's regulatory obligations, value for money duties, or social objectives. These arrangements are reinforced by a control framework: an annual Business Plan that sets realistic expectations supported by an agreed resource and budget, recent testing against the Regulator's Governance and Viability requirements, risk and financial oversight by the Audit & Risk Committee, shareholder approval of the Business Plan, and an internal and external audit programme. Collectively, these measures ensure that PH can balance competing expectations, remain compliant with regulatory standards, and stay focused on delivering high-quality services and outcomes for its tenants.

Cyber Security Risk

Risk: PH is increasingly dependent on digital systems to deliver services, manage data, and collect rental income. A successful cyber attack, data breach, or systems failure could cause serious disruption to day-to-day operations, undermine our ability to communicate with or support residents, and interrupt the collection of rents.

Populo Homes

Report of the Board of Management for the year ended 31 March 2025 *(continued)*

Risk Management *(continued)*

Cyber Security Risk *(continued)*

Mitigation: PLL takes a layered approach to cyber security covering all entities, combining technical safeguards, contractual protections, staff awareness, and independent assurance. Cyber Essentials accreditation and our contract with lomart provide a structured framework for protecting core systems, supported by monthly reviews of system resilience and robustness. A Cyber Insurance policy is in place to provide an additional financial safeguard in the event of a breach or attack. Data protection policies are applied with staff training to reinforce awareness and compliance. Disaster Recovery and Business Continuity policies are in place and are being updated for Board approval.

Internal controls assurance

The Board is responsible for ensuring that the society maintains a sound system of internal control to safeguard the assets of the association and to ensure the reliability of financial reporting and compliance with applicable laws and regulations.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2025, including financial, operational, and compliance controls, and risk management systems. This review was informed by:

- A comprehensive programme of internal audit reviews, conducted by an independent audit firm, with all review findings reported to the Audit & Risk Committee and implementation of recommendations monitored;
- The external auditor's completion report;
- Findings from a governance review, conducted by an independent consultant firm. We have identified gaps in our compliance with the NHF Code of Governance 2020 and are committed to addressing these through a comprehensive action plan which will be approved by the Populo Homes Board at its next meeting;
- Regular reporting to the Board and / or appropriate Committee on key business objectives, targets, and outcomes;
- The society's risk register and assurance framework;
- Robust strategic and business planning processes, with detailed financial budgets and forecasts;
- Clear delegated authority limits for the executive team and employees; and
- Regular monitoring of loan covenants and loan facilities.

Through all reviews and findings, where recommendations have been provided, both Governance and Audit trackers are in place to be shared with the PH Board periodically for transparency and ownership to ensure continual improvement.

The Board confirms that no significant weaknesses in internal control have been identified that would have a material impact on the financial statements.

Value for money (VfM)

The Board understands its responsibilities in relation to the Regulator of Social Housing (RSH) VfM Standard and Code of Practice. This helps Management and the Board to not only assess whether the business' objectives are delivering VfM for its residents and the wider business, but also sets a target against which performance can be assessed.

We have included actuals for the previous year in addition to the forecast. We have also included Sector Performance from Government Global Accounts as a comparator.

Populo Homes

Report of the Board of Management for the year ended 31 March 2025 (continued)

Value for money (VfM) – (continued)

RSH VfM Metrics	PH 2023/24 (Actual)	PH 2024/25 (Actual)	PH 2025/26 (Draft Budget)	Sector (1,000 - 2,500 homes)	Sector (London- all sizes)
Reinvestment %	0.00%	0.07%	0.01%	5.00%	4.40%
New Supply (Social) %	0.0%	0.00%	0.00%	0.60%	0.30%
New Supply (Non-Social) %	0.00%	0.00%	0.00%	0.00%	0.00%
Gearing%	61.60%	57.48%	58.02%	42.30%	34.10%
EBITDA MRI Interest Cover%	141.50%	126.74%	133.93%	70%	150%
Headline Social Housing CPU	£2,561	£2,692	£2,693	£8,207	£5,768
Operating Margin (Social) %	42.30%	47.66%	53.20%	16.20%	19.00%
Operating Margin (Overall) %	41.30%	47.58%	53.20%	14.20%	15.30%
ROCE%	2.20%	2.41%	2.51%	2.00%	2.30%

Reinvestment/New Supply

As our properties are fairly newly acquired/developed, they do not yet form part of a major repair / reinvestment strategy. This, added to the fact that there were no developments/acquisitions for the current year, resulted in low measure.

New Supply Social / Non Social

PH has not purchased any properties in 2024/25. The metric does not include managed properties.

Gearing

LBN currently provide all PH's debt funding and PH is a party to LBNs grant funding allocation from the GLA. Gearing of 57.48% is lower than the prior year reflecting no additional loans and the fixed interest and repayment of existing loans. It is higher than the sector average due to our unique funding arrangements.

EBITDA MRI Interest Cover

EBITDA MRI Interest Cover at 126.74% is lower than prior year due to a small number of capitalised major repairs carried out during the year. Interest payments and loan repayments continue to be made on schedule.

Headline Social Housing CPU

All of our stock is newly built and benefit from a defects liability period. This along with a fixed fee for corporate and housing management services provided at competitive rates by our parent are the key factors driving our performance below the sector average.

Operating Margin

The operating margin (social) of 47.66% is an improvement compared to prior year (42.3%). Operating margin (overall) 47.58% also improved when compared to prior year (41.3%). We remain consistently higher than sector averages due to the newer profile of our stock and a fixed fee for corporate and housing management services provided at competitive rates by our parent.

ROCE

The higher operating surplus when compared to the prior year resulted in a higher Return On Capital Employed (ROCE) of 2.41%. As the budget expects a slightly higher operating margin, the 2025/26 ROCE is slightly increased.

Populo Homes

Report of the Board of Management for the year ended 31 March 2025 (continued)

Board members responsibilities

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice, United Kingdom Accounting Standards and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that society will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society 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 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Auditor


All of the current Board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the society's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP were appointed as auditors in the year and have expressed their willingness to continue to act in their capacity as external auditors. A resolution for re-appointment of BDO LLP as auditors of the Society will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Signed by:

 Pam Bhamra
01FD905BAE014F5...
 Chair

Signed by:

 Deborah Heenan
8E8FB2B1B5C948A...
 Member

Signed by:

 Louise Graham-Smith
4FE99740858C440...
 Company Secretary

Date
 12 September 2025

Populo Homes

Independent Auditor's Report to the members of Populo Homes

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 March 2025 and of the Society's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

We have audited the financial statements of Populo Homes ("the Society") for the year ended 31 March 2025 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in reserves, the statement of cash flows 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Society 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' 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 Society'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 members with respect to going concern are described in the relevant sections of this report.

Other information

The board are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. 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.

Populo Homes

Independent Auditor's Report to the members of Populo Homes (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 to report to you if, in our opinion:

- the Society has not kept proper books of account;
- the Society has not maintained a satisfactory system of control over its transactions;
- the financial statements are not in agreement with the Society's 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 board members responsibilities statement, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members 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 are responsible for assessing the Society'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 intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Society and the industry in which it operates;
- Discussion with management and those charged with governance also consider legal counsel, Audit Committee etc; and
- Obtaining an understanding of the Society's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland", the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Society is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Populo Homes

Independent Auditor's Report to the members of Populo Homes (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance also considered Audit Committee, internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Society's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, improper recognition of manual revenue journals, and inaccurate and incomplete inputs to housing property valuations.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the impairment of housing properties classified as property, plant and equipment;
- Checking key metrics e.g. yields, movement in capital values compared with industry data and our experience of similar properties; and
- Discussions with the valuer and challenged the assumptions made by them, particularly with respect to those not in line with our expectations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Populo Homes

Independent Auditor's Report to the members of Populo Homes (continued)

Use of our report

This report is made solely to the members of the Society, as a body, in accordance with in accordance with the Housing and Regeneration Act 2008 and the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society'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 Society for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO UK LLP

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BDO LLP

Statutory Auditor London

Date: 15 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Populo Homes

Statement of Comprehensive Income for the year ended 31 March 2025


	Note	2025 £	2024 £
Turnover	4	2,800,154	3,032,520
Operating costs	4	(1,477,886)	(1,780,833)
Operating surplus	4,7	1,322,268	1,251,687
Interest income		37,342	54,726
Interest and financing costs		(1,520,572)	(1,339,156)
Total comprehensive loss for the financial year		(160,962)	(32,743)


There was no other comprehensive income for 2025 (2024 - £Nil).

The notes on pages 19 to 31 form part of these financial statements.

All amounts relate to continuing operations.

The financial statements were approved by the Board of Members and authorised for issue on 12 September 2025

Signed by:

01FD9C5BAF014F5...
Pam Bhamra
 Chair

Signed by:

8E8FB2B1B5C948A...
Deborah Heenan
 Member

Signed by:

4EE99748858C440...
Louise Graham-Smith
 Company Secretary

Populo Homes

Statement of Financial Position at 31 March 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible fixed assets - housing properties	12		53,411,112		54,172,853
Tangible fixed assets - furniture and fittings	13		4,029		-
Current assets					
Debtors - receivable within one year	14	1,079,099		753,274	
Cash at bank and in hand		1,750,476		1,790,194	
		2,829,575		2,543,468	
Creditors: amounts falling due within one year	15	(965,233)		(707,332)	
			1,864,342	1,836,136	
Net current assets					
Non-current liabilities					
Creditors: amounts falling due after more than one year	16		(54,832,345)		(55,400,889)
			447,138		608,100
Net assets					
Capital and reserves					
Income and expenditure reserves			447,138		608,100
			447,138		608,100
Total capital and reserves					


The financial statements were approved by the Board of Members and authorised for issue on 12 September 2025

Signed by:

 Pam Bhamra
 Chair

Signed by:

 Deborah Heenan
 Member

Signed by:

 Louise Graham-Smith
 Company Secretary

The notes on pages 19 to 31 form part of these financial statements.

Populo Homes

Statement of Changes in Reserves for the year ended 31 March 2025

	Revaluation reserve £	Income and Expenditure reserve £	Total reserves £
At 1 April 2024	–	608,100	608,100
Loss for the year	–	(160,962)	(160,962)
At 31 March 2025	–	447,138	447,138

	Revaluation reserve £	Income and Expenditure reserve £	Total reserves £
At 1 April 2023	–	640,843	640,843
Loss for the year	–	(32,743)	(32,743)
At 31 March 2024	–	608,100	608,100

The notes on pages 19 to 31 form part of these financial statements.

Populo Homes

Statement of Cash Flows for the year ended 31 March 2025

	2025 £	2024 £
Cash flows from operating activities		
(Loss) for the financial year	(160,962)	(32,743)
Adjustments for:		
Depreciation of tangible assets	802,164	802,165
Amortised government grant	(213,080)	(213,080)
Provision for doubtful debts	39,066	2,549
Interest income	(37,342)	(54,726)
Interest and financing costs charged to the income statement	1,520,572	1,339,156
(Increase) in debtors	(364,891)	(489,302)
Increase/(decrease) in creditors	244,807	(572,946)
Decrease in shared ownership properties held for sale	-	313,250
Net cash generated from operating activities	1,830,334	1,094,323
Cash flows from investing activities		
Net purchase of tangible fixed assets	(44,452)	-
Interest received	37,342	54,726
Net cash (used in)/generated from investing activities	(7,110)	54,726
Cash flows from financing activities		
Repayment of loans	(358,032)	(740,972)
Interest Paid	(1,504,910)	(1,995,270)
Net cash (used in) financing activities	(1,862,942)	(2,736,242)
Net (decrease) in cash and cash equivalents	(39,718)	(1,587,193)
Cash and cash equivalents at the beginning of the year	1,790,194	3,377,387
Cash and cash equivalents at the end of the year	1,750,476	1,790,194

All amounts relate to continuing operations.

The notes on pages 19 to 31 form part of the financial statements.

Populo Homes

Notes to the financial statements for the year ended 31 March 2025

1 Legal status

The Society is a public benefit entity and is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with The Regulator of Social Housing as a social housing provider. The Society is a Community Benefit Society.

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) for which the Society includes the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

Going concern

The EMT prepare an annual long-term plan for the PH Board to consider and approve. The business plan clearly sets out PH's plan for sustainable growth, as well as its adherence to all loan covenants and its ability to meet all financial liabilities. Sensitivity analyses, including multi-variate scenarios, are used to test and break the business plan. Mitigation plans are then developed to provide the Populo Homes Board with assurance that these scenarios can be managed as far as possible. In addition, an operational cashflow has been produced for the next 12 months which shows an increasing cash position, after debt service.

PH has 251 units in management from which it generates an operating surplus to pay its debt service obligations. Operating costs are fixed through management and costs service agreements with the parent Populo Living Ltd and effectively cross subsidises unexpected expenditure. The agreements are reviewed annually to ensure the correct level of costs are charged.

PH is forecast to adhere to all loan covenants and to meet all financial liabilities noting all debt has fixed interest rates.

For these reasons PH continues to adopt the going concern concept in the financial statements.

Turnover

Income is measured at the fair value of the consideration received or receivable. The Society generates the following material income streams:

- rental income receivable (after deducting lost rent from void properties available for letting);
- service charges receivable; and
- first tranche sales on Shared Ownership properties.

Turnover is derived and measured at the fair value of the consideration received or receivable and represents rental income on residential lettings, stated net of discounts and of Value Added Tax.

Rental income is recognised on an accruals basis from the point when properties under development reach practical completion and are formally let or otherwise become available for letting. Revenue is received monthly in advance in accordance with the relevant rental agreements. First tranche sales income is recognised on completion of the sale.

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (continued)

2 Accounting policies (continued)

Service charges

The Society adopts the variable method for calculating and charging service charges to its tenants. Expenditure is recorded when a service is provided and charged to the relevant service charge account. Income is recorded on the estimated amounts chargeable. Variable service charge income is based on budget in the year and with subsequent adjustment recognised in respect of unders and overs in the following year.

Value added tax

The Society will charge Value Added Tax (VAT) on some of its income relating to first tranche sales of any shared ownership homes. The VAT on these sales will be at the zero rate, with the London Affordable Rental income being VAT exempt. The Society is thus able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Society and is not recoverable from HM Revenue and Customs. The balance of VAT payable or receivable at the year-end is included as a current liability or asset.

Tangible fixed assets

The cost of tangible fixed assets represents their purchase price and any directly attributable costs of acquisition, such as legal fees incurred on the purchase.

Expenditure on major refurbishment to properties is capitalised where works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

Depreciation

Housing land and property is split between land, structure and other major components that are expected to require replacement over time.

Land is not depreciated on account of its indefinite useful economic life.

A breakdown of depreciation charges to specific asset types is provided below.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated over the useful economic lives of the assets on the following basis:

Description	Percentage depreciation	Useful economic life
Structure	0.80% - 1.00%	100-125 years *
Roofs	1.67%	60 years
Kitchens	5.00%	20 years
Bathrooms	3.33%	30 years
Windows and doors	2.50%	40 years
Heating systems	6.66%	15 years
Photovoltaics	5.00%	20 years
Furniture and fittings	33.33%	3 years

* Properties improved through the rain cladding programme will be depreciated over 125 years.

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (continued)

2 Accounting policies (continued)

Shared ownership properties and staircasing

Under a low cost home ownership arrangement, the Society disposes of a long lease on low cost home ownership housing units for a share ranging between 25% and 75% of value. The buyer has the right to purchase further proportions and some up to 100% based on the market valuation of the property at the time each purchase transaction is completed.

Low cost home ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element, the "staircasing element", is classed as a fixed asset and included in completed housing property at cost and any provision for impairment. Sales of subsequent tranches are treated as a part disposal of a fixed asset. Such staircasing sales may result in capital grant being deferred or abated and any abatement is credited in the sale account in arriving at the surplus or deficit. Maintenance of shared ownership properties is the responsibility of the shared owner. Any impairment of such properties is charged to the Statement of Comprehensive Income.

Government Grants

Grants received in relation to newly acquired or existing housing properties are accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. Grants are carried as deferred income in the Statement of Financial Position and released to the Statement of Comprehensive Income on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018, the useful economic life of the housing property structure has been selected (see table of useful economic lives as per the "Depreciation of housing property" accounting policy).

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses from impairment are recognised in the income statement in operating costs.

Recoverable amount of rental and other trade receivables

The Society estimates the recoverable value of rental and other receivables and impairs the debtor by the appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Rental and service charge agreements

Should the need arise, and as part of its arrears policy, the Society will enter into arrangements with individuals and households for arrears payments of rents and service charges. These arrangements will effectively be loans granted at nil interest rate.

Financial assets

Financial assets which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised cost model.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents

Cash and cash equivalents in the Society's Statement of Financial Position consist of cash at bank, cash in hand and any retail vouchers which have been purchased for distribution to tenants through various tenancy support activities.

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (*continued*)

3 Judgements in applying accounting policies and key sources of estimation and uncertainty

In preparing these financial instruments, key judgements have been made in respect of the following:

Whether or not there are indicators of impairment of the Society's tangible assets. Factors taken into account in reaching such a decision include economic viability and expected future financial performance of the asset where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Society has considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment on a depreciated replacement cost basis.

Other key sources of estimation uncertainty:

- ***Tangible fixed assets***
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives factors such as condition and investment are taken into account. Residual value assessments consider such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components;

Assets are reviewed for indicators of impairment at each reporting date, including significant changes in market conditions, operating performance, or legal environment. Impairment is calculated as the lower of the net book value or the valuation. The valuation is calculated on the basis of the estimated amount for which a property should exchange on the date of the valuation in an arms length transaction, calculated as EUV SH (existing use value for social housing). Properties have been valued on an individual basis and the values are supported by independent professional valuations.
- ***Rental and other trade receivables (Debtors)***
The estimate for rent and service charge receivables relates to the recoverability of the balances outstanding at year-end. A review is performed on an individual debtor basis, in line with the society's bad debt policy, to consider whether each debt is recoverable. Where the debt has uncertainty surrounding its collectability, a provision is made against the outstanding balance to reflect this;
- ***Allocation of costs for shared ownership***
When shared ownership properties are sold, the cost of the shared ownership is allocated in line with the proportion of the property purchased. This is deemed a fair method of cost allocation.

Populo Homes

Notes to the financial statements
for the year ended 31 March 2025 (continued)

4. Particulars of turnover, operating costs and operating surplus by class of business

	Turnover 2025 £	Operating Costs 2025 £	Operating Surplus 2025 £	Turnover 2024 £	Operating Costs 2024 £	Operating Surplus 2024 £
Income and expenditure:						
Social housing lettings (note 5)	2,800,154	(1,475,546)	1,324,608	2,503,982	(1,445,125)	1,058,857
Other social housing activities:						
First tranche shared ownership sales	–	(2,340)	(2,340)	528,538	(335,708)	192,830
Total	2,800,154	(1,477,886)	1,322,268	3,032,520	(1,780,833)	1,251,687

5. Particulars of income and expenditure from social housing lettings

	Affordable housing 2025 £	Shared Ownership 2025 £	Total 2025 £	Affordable housing 2024 £	Shared Ownership 2024 £	Total 2024 £
Turnover from lettings						
Rent receivable net of identifiable service charges	2,360,246	145,374	2,505,620	1,986,959	132,419	2,119,378
Service charges receivable	89,358	10,130	99,488	152,697	18,807	171,504
Service charges refunds owed	–	(18,924)	(18,924)	–	–	–
Net rents receivable	2,449,604	136,580	2,586,184	2,139,656	151,226	2,290,882
Amortised government grant	207,000	6,080	213,080	207,000	6,080	213,080
Other income	890	–	890	20	–	20
Total turnover from lettings	2,657,494	142,660	2,800,154	2,346,676	157,306	2,503,982
Operating costs from lettings						
Management	(199,118)	(15,920)	(215,038)	(110,305)	(61,645)	(171,950)
Service charge costs	(185,149)	(9,110)	(194,259)	(169,267)	(3,306)	(172,573)
Routine maintenance	(109,013)	(3,974)	(112,987)	(211,555)	(9,424)	(220,979)
Planned maintenance	(102,330)	(9,702)	(112,032)	(74,549)	(2,694)	(77,243)
Bad debts	(36,356)	(2,710)	(39,066)	14,843	(15,059)	(216)
Depreciation of housing properties	(756,638)	(45,526)	(802,164)	(756,638)	(45,526)	(802,164)
Total operating costs on lettings	(1,388,604)	(86,942)	(1,475,546)	(1,307,471)	(137,654)	(1,445,125)
Operating surplus on lettings	1,268,890	55,718	1,324,608	1,039,205	19,652	1,058,857
Void losses	(5,034)	–	(5,034)	(340)	–	(340)

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (continued)

6. Units of housing stock

	2024 Number	Additions Number	2025 Number
General needs housing:			
- social rent	–	–	–
- affordable rent	207	–	207
Low cost home ownership	16	–	16
Total owned	223	–	223
Accommodation managed for others	28	–	28
Total owned and managed accommodation	251	–	251

7. Operating surplus

	2025 £	2024 £
This is arrived at after charging:		
Auditor's remuneration (excluding VAT)		
- fees payable to the auditor for the audit of the financial statements	13,100	11,500
Depreciation of tangible fixed assets - housing properties	802,164	802,165

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (continued)

8. Employees

As at the reporting date, the society had no full-time property management or corporate employees. Effective oversight and day-to-day running of the society is achieved through its board of non-executive directors. Populo Homes have entered into service level agreements with its parent entity, Populo Living, for the latter to provide property management and corporate functions to Populo Homes. Populo Homes are charged an annual fee per unit by Populo Living for these services. This arrangement is expected to be in place until such time as the homes under management within Populo Homes constitute a sufficient number to make employing their own in-house property management and corporate functions financially efficient.

9. Directors' remuneration

	2025 £	2024 £
Executive director emoluments	–	–
Non-executive director emoluments	18,830	25,688
	<hr/>	<hr/>
The total amount payable to the highest paid director, in respect of emoluments was:	5,000	12,000
	<hr/> <hr/>	<hr/> <hr/>

10. Board members

	2025 £	2024 £
Members of the Board of Management received emoluments of:	18,830	25,688
	<hr/>	<hr/>

The Board of Management received £Nil (2024 - £Nil) for board expenses during the year.

11. Taxation

The Society has charitable status and its activities during the year did not give rise to a Corporate Tax liability.

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (continued)

12. Tangible fixed assets - Housing properties

	Affordable housing 2025 £	Shared Ownership 2025 £	Total 2025 £	Affordable housing 2024 £	Shared Ownership 2024 £	Total 2024 £
Cost:						
As at 1 April	52,384,254	3,106,250	55,490,504	52,384,254	3,132,500	55,516,754
Additions	40,423	–	40,423	–	–	–
Disposals	–	–	–	–	(26,250)	(26,250)
As at 31 March	52,424,677	3,106,250	55,530,927	52,384,254	3,106,250	55,490,504
Depreciation:						
As at 1 April	(1,227,651)	(90,000)	(1,317,651)	(471,012)	(44,474)	(515,486)
Charge for the year	(756,638)	(45,526)	(802,164)	(756,639)	(45,526)	(802,165)
As at 31 March	(1,984,289)	(135,526)	(2,119,815)	(1,227,651)	(90,000)	(1,317,651)
Net book value:						
As at 31 March	50,440,388	2,970,724	53,411,112	51,156,603	3,016,250	54,172,853

2025
£ **2024**
£

The net book value can be further analysed as follows:

Leasehold	53,411,112	54,172,853
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Expenditure on works to existing properties

Components capitalised	40,423	–
Amounts charged to income and expenditure	225,019	298,222
	265,442	298,222

Social housing assistance - grant

Recognised in the Statement of Comprehensive Income	213,080	213,080
Held as deferred income	20,770,770	20,983,850
	20,983,850	21,196,930

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (continued)

13. Tangible fixed assets - Furniture and fittings

	2025 £
Cost:	
As at 1 April	-
Additions	4,029
Disposals	-
	<hr/>
As at 31 March	4,029
	<hr/>
Depreciation:	
As at 1 April	-
Charge for the year	-
	<hr/>
As at 31 March	-
	<hr/>
Net book value:	
	<hr/>
As at 31 March	4,029
	<hr/> <hr/>

14. Debtors

	2025 £	2024 £
Due in one year:		
Rent and service charge receivable	135,692	152,916
Less: provision for doubtful debts	(99,419)	(60,353)
Other debtors	83,997	76,191
Amounts owed by group undertakings	958,829	584,520
	<hr/>	<hr/>
	1,079,099	753,274
	<hr/> <hr/>	<hr/> <hr/>

No interest is assessable on amounts owed by group undertakings which are all repayable on demand.

15. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	95,371	22,392
Rent and service charges received in advance	201,611	83,396
LBN Loans	355,463	342,369
Deferred grant	213,080	213,080
Other creditors	782	-
Accruals	98,926	46,095
	<hr/>	<hr/>
	965,233	707,332
	<hr/> <hr/>	<hr/> <hr/>

No interest is assessable on amounts owed to group undertakings which are all repayable on demand.

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (continued)

16. Creditors: amounts falling due after more than one year

	2025	2024
	£	£
LBN Loans	34,274,655	34,630,119
Deferred grant	20,557,690	20,770,770
	<u>54,832,345</u>	<u>55,400,889</u>

The LBN loans are secured on the properties and are to be repaid in accordance with the agreed repayment schedule with final repayment in September 2066 for Plaistow and December 2066 for Didsbury. Interest is charged using the prevailing interest rate offered to the Lender at the date of the relevant Utilisation Request (or a date prior to that as agreed between the parties) by the Public Works Loan Board ("PWLB") or appropriate alternative source of finance for the Authority) for the relevant period and type of loan set out in the Utilisation Request and as confirmed to the Borrower by the Lender less any discount the Lender is eligible for in respect of the certainty rate (or similar alternative), such rate rounded up to the nearest quarter of a per cent (0.25%) plus half a per cent (0.5%) per annum for Didsbury and plus one per cent (1%) per annum for Plaistow.

17. Loans

	2025	2024
	£	£
Amounts falling due within one year	355,463	342,369
Amounts falling due 1-2 years	369,041	355,463
Amounts falling due 2-5 years	1,192,784	1,148,949
Amounts falling due after more than 5 years	32,712,830	33,125,707
	<u>34,630,118</u>	<u>34,972,488</u>

18. Deferred Grant

	2025	2024
	£	£
Cost:		
At 1 April	21,308,000	21,308,000
Grant received in year	-	-
At 31 March	<u>21,308,000</u>	<u>21,308,000</u>
Amortisation:		
At 1 April	324,150	111,070
Released to income	213,080	213,080
At 31 March	<u>537,230</u>	<u>324,150</u>
Net Book Value:		
At 31 March	<u>20,770,770</u>	<u>20,983,850</u>
Amount to be used before one year	213,080	213,080
Amount to be used after one year	20,557,690	20,770,770
Total	<u>20,770,770</u>	<u>20,983,850</u>

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (continued)

19. Share capital

The association is a community benefit society and therefore has no share capital. Each member (see numbers below) agrees to contribute £1 in the event of the association winding up.

	2025	2024
	Number	Number
At 1 April	7	7
Joining during the year	2	2
Leaving during the year	(1)	(2)
	<u>8</u>	<u>7</u>

20. Operating lease commitments

Lessor

At 31 March 2025 the society had future minimum lease receivables due under non- cancellable operating leases for each of the following periods:

	2025	2024
	£	£
Not later than one year	544,860	1,589,517
Later than one year and not later than five years	270,574	636,058
Later than five years	1,837,529	2,187,837
	<u>2,652,963</u>	<u>4,413,412</u>

21. Related party transactions

The Society's immediate parent is Populo Living Limited (PL), which prepares consolidated Group accounts for the Populo Group.

PL also provides property management and corporate services to PH. The management agreement caps expenditure charged to PH at £2,400 per unit per year. This year no further management charges were passed from PL to PH as some operating costs were billed directly to PH (2024:£nil). If further management charges were billed then it would exceed this cap.

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (continued)

22. Financial assets and liabilities

	2025 £	2024 £
Financial assets, that are debt instruments measured at amortised cost	1,079,099	753,274
Financial liabilities measured at amortised cost	<u>34,825,197</u>	<u>35,040,975</u>

Financial assets that are debt instruments measured at amortised cost are made up of rent and service charge receivables and other debtors.

Financial liabilities measured at amortised cost are made up of trade and other creditors, group creditors, accruals and LBN loans.

23. Controlling party

The immediate parent of Populo Homes is Populo Living Limited, a company registered in England and Wales, with registered office of Floor 3, Discover House, 379-381 High Street, Stratford, London, E15 4QZ.

The ultimate parent of Populo Living Limited is the London Borough of Newham (LBN), a local Authority whose principal place of business is Town Hall, Barking Road, East Ham, London E6 2RP.

The smallest group of undertaking which group accounts are drawn up and of which the society is a member is the group headed by Populo Living Limited. Copies of the group financial statements can be obtained from Companies house.

The largest group of undertaking which group accounts are drawn up and of which the society is a member is the group headed by London Borough of Newham (LBN). Copies of the group financial statements can be obtained from Town Hall, Barking Road, East Ham, London E6 2RP.

Populo Homes

Notes to the financial statements for the year ended 31 March 2025 (continued)

24. Notes supporting statement of cash flows

	Opening Balance	Financing cash flows				Interest expense	Included in accruals	Non-cash changes		Closing balance
		Draw- downs	Principal repayments	Interest paid	Amortisation of grant			Reclass- ification		
2025	£	£	£	£	£	£	£	£	£	
LBN loans - current	342,369	-	-	-	-	-	-	13,094	355,463	
LBN loans - noncurrent	34,630,119	-	(358,032)	(1,504,910)	1,520,572	-	-	(13,094)	34,274,655	
Deferred grant - current	213,080	-	-	-	-	-	(213,080)	213,080	213,080	
Deferred grant - noncurrent	20,770,770	-	-	-	-	-	-	(213,080)	20,557,690	
Total	55,956,338	-	(358,032)	(1,504,910)	1,520,572	-	(213,080)	-	55,400,888	

	Opening Balance	Financing cash flows				Interest expense	Included in accruals	Non-cash changes		Closing balance
		Draw- downs	Principal repayments	Grant received	Amortisation of grant			Reclass- ification		
2024	£	£	£	£	£	£	£	£	£	
LBN loans - current	1,197,571	-	-	-	-	-	-	(855,202)	342,369	
LBN loans - noncurrent	35,095,033	-	(740,970)	(1,995,270)	1,339,156	76,968	-	855,202	34,630,119	
Deferred grant - current	213,080	-	-	-	-	-	(213,080)	213,080	213,080	
Deferred grant - noncurrent	20,983,850	-	-	-	-	-	-	(213,080)	20,770,770	
Total	57,489,534	-	(740,970)	(1,995,270)	1,339,156	76,968	(213,080)	-	55,956,338	