Wheatley Group

Annual Report and Consolidated Financial Statements 2023/24

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Welcome

Wheatley is Scotland's leading housing, care and property-management group

Wheatley is one of the UK's most dynamic, agile and best-performing housing, care and property management groups owning or managing over 94,000 homes and delivering award-winning services in 19 local authority areas across Scotland.

The year 2023/24 was the mid-way point of five-year strategy, 'Your Home, Your Community, Your Future'. Each part of Wheatley is focused on delivering excellence no matter what they do, remaining firmly rooted in their communities and providing services tailored to the needs of their individual customers.

Wheatley Care provided support to more than 7,400 people across its services; we created 988 jobs and training opportunities for people in our homes and communities this year; and Wheatley Foundation, our charitable trust, supported more than 17,000 people over the year, many of whom were facing real financial hardship.

We remain committed to putting the people we work for at the heart of our services and continue to adapt what we do to meet our customers' changing needs and circumstances.

Wheatley at a glance

At the end of the financial year 2023/24, the Wheatley family comprised:

Wheatley Homes Glasgow, with 43,647 homes.

Wheatley Homes South, with 10,373 homes.

Wheatley Homes East, with 7,367 homes.

Loretto Housing, with 2,776 homes.

Lowther, which owns a portfolio of 1,193 homes for rent, also manages 1,427 homes for Wheatley Group RSLs and provides property-management services to 29,085 households.

Wheatley Care, which provided care and support to 7,407 people in 2023/24.

Wheatley Solutions, where 677 people work together to provide Group support services.

Wheatley Foundation, which invested £9.2m in creating opportunities for people to improve their lives.

City Building (Glasgow), jointly owned with Glasgow City Council and providing repairs and maintenance services.

Wheatley Homes Glasgow

Wheatley Homes South

Wheatley Homes East

Loretto Housing

Wheatley Care

Wheatley Solutions

Lowther Live smart.

Wheatley Foundation

CITYBUILDING (Glasgow) LLP

Chair's report
Jo Armstrong

In the year the Scottish Government declared a national housing emergency, the need for a joint approach between Holyrood, local authorities and Registered Social Landlords ("RSLs") has never been more important.

An increasing number of councils made the same declaration, including Edinburgh, Glasgow, Fife, West Dunbartonshire and others, an acknowledgement that partnership working would be needed to combat issues including a shortage of social housing, rising private rents and pressure on homelessness services.

Our commitment to tackling homelessness remains as strong as ever demonstrated by our five year strategic target to provide 10,000 homes for homeless people. This year Wheatley provided 2,406 homes for homeless people over the year which represented 62% of all our lets, surpassing our annual target of 2,000 and looking back over the last three years this figure rises to 7,068 lets.

Increasing the supply of new housing is also key to tackling our national housing emergency and our ambitious new build programme saw us named as the biggest builder of social housing in the UK over the past 10 years by Inside Housing a leading industry magazine having completed a total of 4,320 social homes.

Once again, Wheatley Group continued to lead the way for the sector, with our strategic agreements with local authority partners in Glasgow and Dumfries and Galloway allowing us to work even closer together to build new homes and deliver better services to communities.

Wheatley not only understands the challenges in the sector, now faced with a cut to the affordable housing supply programme budget of 26%, but has a strong track record of finding new and innovative solutions to problems.

We will continue to use our size and scale to increase the supply of quality, affordable housing, and retaining our A+ credit rating (stable outlook) from S&P means we remain on a strong financial footing to make that happen.

Along with these significant changes to our external operating context, Wheatley and our customers faced challenging economic circumstances, with the cost-of-living crisis, sustained increased demand for repairs and high levels of inflation all having an impact on our operations this year.

Our enhanced focus on customer insight means we have stronger mechanisms to understand our customers' priorities, and the close relationships we have developed helped us respond to their needs.

This year, the mid-way point of our five-year strategy, 'Your Home, Your Community, Your Future', saw us continue to support our customers and place them at the heart of our services.

Our updated operating model, with a fully reshaped corporate estate, a blend of digital and face-to-face engagement and the consolidation of our new way of working for staff, made a real difference.

The Customer First Centre, the main point of contact for most customer enquiries, handled nearly 777,000 calls and answered almost 70% of them within 30 seconds.

Our gross rent arrears at the end of the financial year stood at 5.37%, better than the 2022/23 Scottish average of 6.9%. A key focus for us is supporting our customers to maintain their tenancies to achieve long-term stability, and our Group-wide tenancy sustainment rate was at 91.2%.

The Group's new-build programme continued to change communities for the better with 348 homes completed this year, 1,521 homes currently on site and a further 185 homes approved at the end of March 2024. We also invested £76.8m improving our existing homes, making them safer, warmer, more energy-efficient and more attractive.

Tenants in Wyndford are looking forward to a brighter future as our plans for the £100 million transformation of this Glasgow community gathered pace. By the end of 2023/24, our updated proposals included nearly 400 new affordable homes to be built as well as a new community hub and improved outdoor space. In Dumfries and Galloway, we are also consulting with residents in Summerhill and Lochside on future plans for the regeneration of both areas.

Wheatley's commitment to sustainability remains strong. We continued to improve the energy performance of our homes this year, with almost 92% of our properties now at EPC rating C or better. Across the Group, we reduced carbon dioxide emissions from our homes by over 5,100 tonnes.

This year was also an important year for the care sector as Stage 1 of the National Care Service (Scotland) Bill made its way through the Scottish Parliament. We continued to support our care customers to take part in the Scottish Government's consultation on the Bill, to ensure Wheatley Care and its staff are prepared for the sectoral, regulatory, and legal changes this may involve.

Our award-winning Wheatley Foundation continued its tireless work to help people in our homes and communities, supporting 11,555 households a total of 27,971 times over the year to help ease the financial pressures they were facing.

The Foundation created 988 jobs and training opportunities this year, generating £6.7m in social value in the process. A total of 22,251 Wheatley Group customers, more than 36% of our customer base, are now on Universal Credit and our welfare benefits advisors supported 7,956 people in 2023/24, resulting in £13.7m of financial gain.

The 'Here for You' Fund continued to help people in financial crisis this year, including supporting 2,343 customers with food, 3,459 with their fuel bills and 6,671 with their rent.

Customers have always played a key role in helping Wheatley improve services, and our continued focus on customer insight gives us stronger mechanisms to understand customer priorities.

This year saw a wider and more diverse level of engagement than ever, with around 1,000 customers involved in our Customer Voice programme, taking part in surveys, neighbourhood walkabouts, community events and more. Almost 440 customers also joined panels and focus groups to help shape services around housing performance, managing homes, anti-social behaviour and community safety.

Wheatley continues to enhance its reputation as a national force for good in these difficult times. I am prouder than ever to be part of a high-performing organisation which puts the people it works for at the heart of everything it does thanks to the compassion and commitment of its staff along with the dedication and diligence of Board and Executive Team members.

Jo Armstrong
Chair of Wheatley Housing Group Board

Chief Executive's report
Steven Henderson

One of my first projects when I joined Wheatley Group in 2013 was working on our landmark public bond issuance. It was the first time a Scottish housing association had raised finance through the issue of a public bond on the capital markets.

The £300 million we raised was central to everything Wheatley achieved over the next decade and part funded a development programme of 2,800 new affordable homes across central Scotland.

I was reminded of this in March this year when leading industry magazine, Inside Housing, named Wheatley Group as the biggest builder of social homes over the past 10 years, not only in Scotland but across the whole of the United Kingdom. The total of 4,320 social homes over the past decade is something I am particularly proud of and a badge of honour for everyone in Wheatley.

The past 10 years have been one of profound change, of course, but our commitment to building new homes and transforming lives and communities in the process has never wavered.

It is a key part of Wheatley's social purpose and pivotal to tackling the housing emergency declared by Scottish Government and many local authorities this year.

Wheatley built 348 new homes in 2023/24 and we anticipate handover of over 700 new homes in 2024/25. While we are on track to meet our revised target of building up to 3,400 new homes by March 2026, Wheatley's social landlords face a difficult economic environment. Our pipeline depends on the availability of Government grant for new-build projects and we are working with our local authority partners and the Scottish Government to consider options to grow the supply of much-needed affordable housing.

The fact that Wheatley finished 2023/24 retaining our A+ (stable outlook) credit rating from S&P not only recognises the success of our new-build programme, meeting our sustainability targets and much more: it leaves us well-placed to use our size and scale to confront the housing emergency.

Financial pressures caused by high inflation and increasing costs had a serious impact on our customers' lives this year, and supporting the people we work for remained our top priority.

Our commitment to tackling homelessness remains as strong as ever. Wheatley provided 2,406 homes for homeless people over the year which represented 62% of all our lets, surpassing our annual target of 2,000 and keeping us on track to deliver our target of 10,000 by the end of our strategy.

Our award-winning Foundation supported 11,555 households a total of 27,971 times in 2023/24 to help ease the financial pressures they were facing. Our focus on increasing employability is crucial in tackling the impacts of poverty.

Wheatley Works created 131 job opportunities, 710 training opportunities and 147 apprenticeship opportunities this year, with 73% going to Wheatley customers. Our 'community benefits' scheme, which helps Wheatley Group contractors and suppliers do more for people in our homes and communities, created 102 work placements, 34 apprenticeships and 10 jobs over the year.

With more than 22,250 customers now on Universal Credit, our welfare benefits advisors supported almost 8,000 people this year, resulting in £13.7m of financial gain, over 30% of which directly contributes to the prevention of rent arrears.

The Foundation also continued to help customers get online this year with the John Wheatley Learning Network, made up of 34 free computer learning centres, providing free drop-in digital support and internet access to 2,554 people in our communities. We awarded 50 people from our homes a bursary to go to university or college and sent 817 children, under the age of five, free books every month thanks to our partnership with the Dolly Parton Imagination Library, with more than 5,500 books delivered over the year.

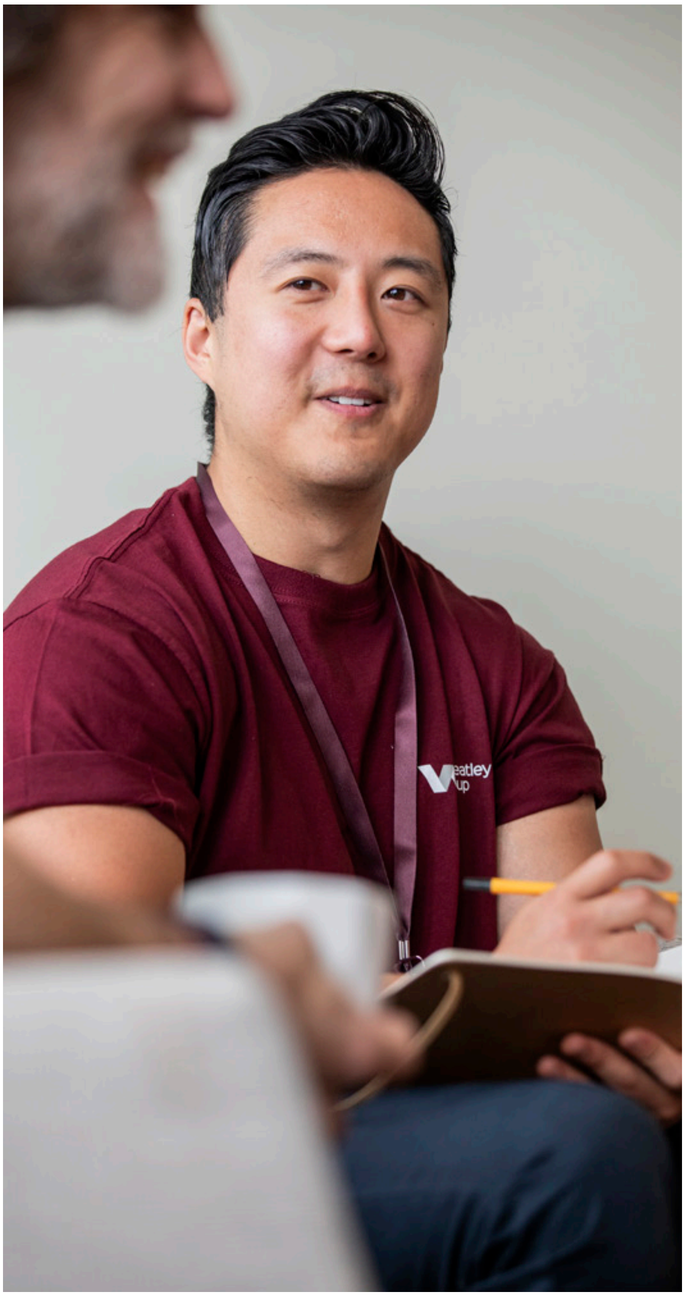
Wheatley Care continued to provide inclusive and holistic support to people with complex conditions, including physical disabilities, learning disabilities, mental health conditions, addictions and homelessness. In 2023/24, Wheatley Care supported 7,407 people across its services, helping them get the most out of their lives and achieve their own positive outcomes.

Our commitment to sustainability involves a focus on upgrading the fabric of our existing homes and improving the energy-efficiency of heating systems to save our customers money and reduce harmful emissions. We reduced carbon dioxide emissions from our homes by over 5,100 tonnes this year by installing tailored energy retrofit measures including improved insulation, new windows, better heating systems, solar PV, batteries and air-source heat pumps in our homes. We also installed more than 3,000 'Connected Response' smart controls for electric storage heating and piloted a cutting-edge community solar PV system called SolShare.

I know how important repairs are for our customers and our new 'Book It, Track It, Rate It' app helped improve the service this year.

The app updates customers when their repair is booked and the tradesperson is on their way and allows them to rate the appointment. Average ratings across the Group over the year are equivalent to satisfaction levels of 90%.

A central pillar of Wheatley's operating model is the Customer First Centre (CFC), where experienced advisors and housing specialists provide round-the-clock support for customers. Staff at the CFC handled 776,654 calls over the year with an average waiting time of 59 seconds, which compares well with an average waiting time of 259 seconds from the latest public sector benchmark information from 2022. More than 86% of calls were resolved at the first point of contact and overall satisfaction with the CFC stood at 86% by the end of the financial year.



We continued to offer customers more ways to interact with us digitally in 2023/24. A total of 52,811 customers, almost 57% of our customer base, have an online account, offering them convenient ways to pay their bills, report a repair or access advice and information. In 2023/24, 7,223 customers across Wheatley were registered for our online discounts scheme, MySavings, an increase of 812 from last year. Our websites had a combined total of 2,310,829 visits over the year and the Group-wide total of followers on social media grew to 56,667.

Wheatley's operating model puts customers even more at the heart of what we do, and our latest tenant survey revealed high levels of customer satisfaction. Recognition from our customers of increased opportunities to take part in decision-making shows we are getting it right. Around 1,000 customers were involved in our Customer Voices programme this year, taking part in surveys, neighbourhood walkabouts, community events and other activities, and almost 440 customers joined panels and focus groups to help shape our services.

External recognition for excellence across our sectors continued in 2023/24, with Wheatley retaining Customer Service Excellence accreditation, the national standard for excellence in customer service in public sector organisations, including 22 ratings of Compliance Plus and 33 ratings of Full Compliance.

This year, my second full year as Chief Executive, was another challenging one for Wheatley and our customers. However, I firmly believe the response to challenges brings out the best in Team Wheatley. Our dedication, resilience and commitment to our Think Yes Together culture will enhance Wheatley's well-deserved reputation for delivering award-winning services, homes and communities.

Steven Henderson
Wheatley Housing Group Chief Executive

The year at a glance – Highlights of 2023/24

Delivering exceptional customer experience

Tenancy sustainment rate at over 91%	Overall tenant satisfaction at 89%	Tenant satisfaction score for repairs at 4.5 out of 5 or 90%

Making the most of our homes and assets

348 homes completed during the year and 1,706 on site or due on site	£76.8m invested in our existing homes and a further £110.1m spent on repairs and maintenance
Carbon emissions from our homes reduced by over 5,100 tonnes per annum this year	91.9% of our homes are rated EPC rating C or better

Changing lives and communities

81% of care services graded Very Good or Excellent compared to a Scottish average of 59%	Over 17,000 people supported by the Wheatley Foundation this year
2,406 lets made to homeless individuals or households comprising 62% of all lets	

Developing our shared capability

131 job opportunities, 710 training opportunities and 147 apprenticeship opportunities created for people living in our homes and communities	72% of promoted posts filled internally

Enabling our ambitions

Turnover of £412.6m	Earnings before interest, tax, depreciation and amortisation (EBITDA) of £146.2m	S&P global credit rating retained at A+ 'stable'

Cash of £36.3m and undrawn facilities of £234.8m at 31 March 2024	Available loan security of £718.0m at 31 March 2024
Management and administration cost per property of £947 down from £1,047	Housing property values increased by £297.1m to £3,036.2m

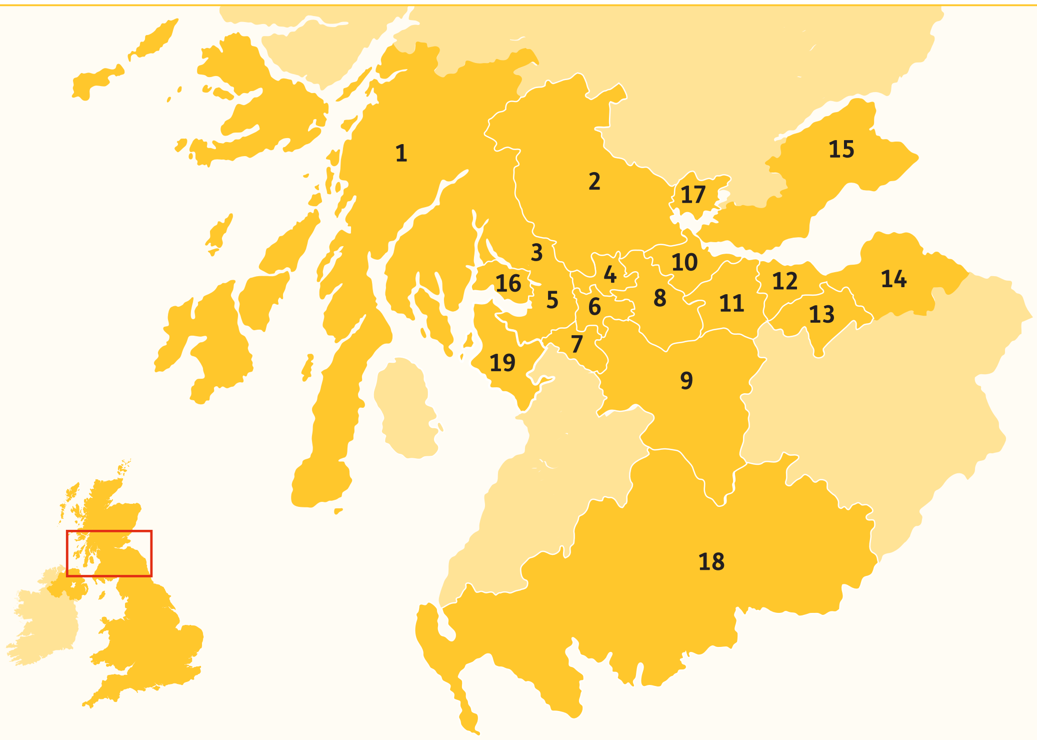
Strategic report

Wheatley Group ("Wheatley" or "the Group") is one of the UK's most dynamic, agile and best-performing housing, care and property-management groups. Our mission is 'Making Homes and Lives Better'.

Owning over 65,000 homes, Wheatley is Scotland's largest housing group and delivers award-winning services to over 210,000 people across 19 local authorities in Scotland. Our services are delivered through our four charitable RSLs, care organisation and our mid-market letting and property management subsidiary. The activities of the Group are supported by Wheatley Solutions our support services subsidiary and Wheatley Developments Scotland our new build development subsidiary. The Group's charitable trust, the Wheatley Foundation, invests its funding to create opportunities for people to improve their lives.

Each part of the Wheatley family is focused on delivering excellence no matter what they do and each remains firmly rooted in their communities, providing services tailored to the needs of their individual customers.

The RSLs in the Group are regulated by the Scottish Housing Regulator, and our RSLs are graded as fully compliant, the top grading.



1 Argyll and Bute
2 Stirling
3 West Dunbartonshire
4 East Dunbartonshire
5 Renfrewshire
6 Glasgow City
7 East Renfrewshire
8 North Lanarkshire
9 South Lanarkshire
10 Falkirk
11 West Lothian
12 City of Edinburgh
13 Midlothian
14 East Lothian
15 Fife
16 Inverclyde
17 Clackmannanshire
18 Dumfries & Galloway
19 North Ayrshire

The Wheatley family comprises of:

- Wheatley Homes Glasgow Limited ("WH Glasgow") is the largest part of the Group and has an operational footprint within the Glasgow City Council boundary. At 31 March 2024, WH Glasgow owned or managed over 43,600 affordable homes.
- Loretto Housing Association Limited ("LHA") operating in the west of Scotland with over 2,700 properties owned and managed.
- Wheatley Homes East Limited ("WH East") operates in Edinburgh, the Lothians and Fife. Our presence in the east of Scotland continued to grow with 197 properties completed in the year increasing to over 7,350 homes.
- Wheatley Homes South Limited ("WH South") owns or manages over 10,350 homes.
- Wheatley Development Scotland Limited ("WDS") is a development company providing design and build services to the RSLs in the Group.

The RSLs in the Group owned or managed a total of 64,116 homes at the end of the year.

- Lowther Homes Limited ("Lowther") owns a portfolio of 1,193 private rented homes with 21 properties completed in the year. It also provides management services to the Group's mid-market rented homes and provides property management services to over 29,000 customers who own their properties.

- Wheatley Care in financial terms represents a small but important part of the Group with turnover less than 5% of overall Group revenues. They support over 7,400 people with specialist needs, many of whom live in properties owned by the RSLs in the Group.

- Wheatley Solutions provides support services, ranging from finance, IT and procurement to governance, assurance, legal, marketing and communications to the Group's partner organisations.
- Wheatley Foundation, delivers our community and better lives activity, investing £9.2m in 2023/24 to help improve the lives of the people it supports.
- The Group has a 50% interest in City Building (Glasgow) LLP ("CBG") under a 50:50 joint venture arrangement with Glasgow City Council. The joint venture provides repairs and investment services to the Group subsidiaries, principally those in Glasgow and the west of Scotland. A share of the results of CBG is included in the financial statements.

Wheatley Housing Group Limited, as the Group parent, does not own any homes but provides strategic oversight to all subsidiaries and is registered with the Scottish Housing Regulator.

Review of the year

The year 2023/24, the mid-way point of our five-year strategy, 'Your Home, Your Community, Your Future' saw us continue to support our customers and place them at the heart of our services.

The difficult economic climate and the cost-of-living crisis had an ongoing impact on our customers' lives. Our wraparound services were a lifeline, and supporting our customers including their mental health, confidence and resilience remained one of our top priorities. As always, our strong focus on customers and the close relationships we have developed helped us respond to their needs.

Our five year strategy Your Home, Your Community, Your Future builds on our five key themes of:

1. Delivering exceptional customer experience
2. Making the most of our homes and assets
3. Changing lives and communities
4. Developing our shared capability
5. Enabling our ambitions

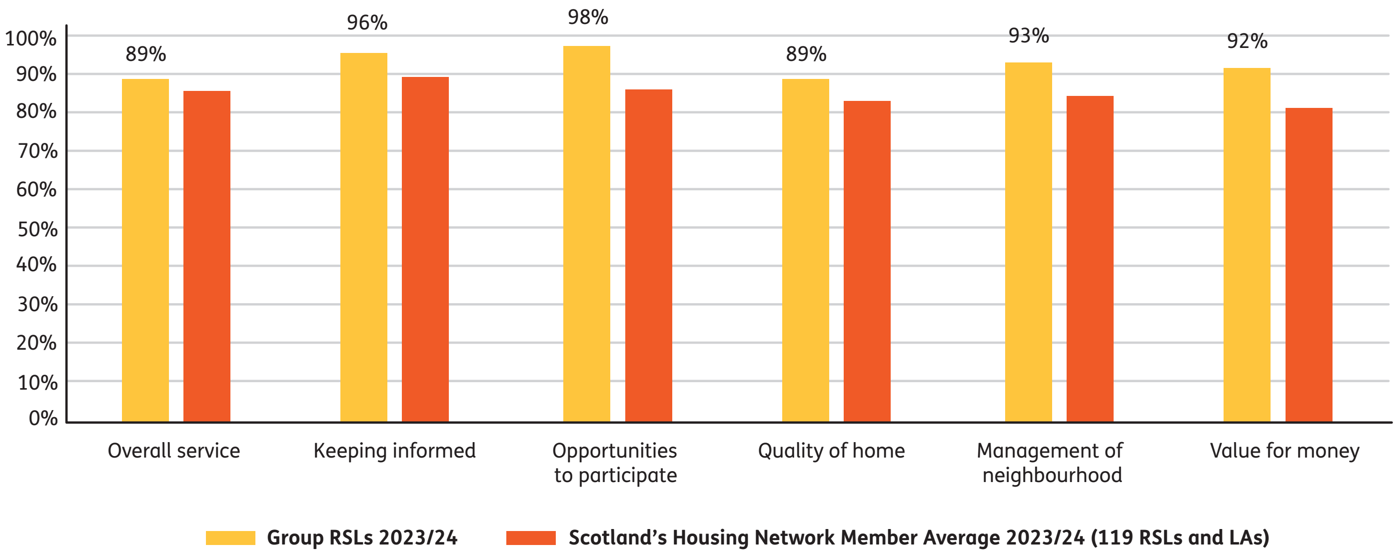
A summary of our work under each of our strategic theme is set out in this Strategic Report.

Delivering exceptional customer experience

Our operating model
We deliver services to our customers through our network of housing officers supported by our 24/7 Customer First Centre (CFC) and our locally based environmental teams. We have a strong neighbourhood focus when delivering services to our customers using our "Think Yes" approach. Our housing officers work in small patch sizes managing between 200 and 250 tenancies which allows them to understand the local issues that affect our customers and their communities and services that are tailored and personalised to each customer's needs and circumstances.

Strong business performance
This was a year when our operating model made a real difference and Wheatley's social landlords demonstrated high levels of performance in key areas. Our specialist repairs teams helped us further improve the service, and staff in our CFC continued to provide round-the-clock, expert support to customers. These teams also allowed housing officers to spend more time helping people in our communities. This was borne out in the results of our recent independent tenant satisfaction survey which saw Group RSLs achieve an overall satisfaction score of 89% above the Scottish average of 86% placing us well to meet our strategic target of 90% by 2026. Our performance in our key indicators was close to or above 90% and also above the Scottish average when compared against figures from Scotland's Housing Network members as shown in the chart below:

Tenant satisfaction survey results 2023/24



Based on 2,116 interviews carried out between May and November 2023, weighted across Wheatley Group RSLs

Our gross rent arrears at the end of the financial year stood at 5.37%, down from 5.44% last year and better than the 2022/23 Scottish average of 6.9%. The average days to re-let our homes over the year was 14.5 days, down from 18.6 days last year.

The Group's tenancy sustainment rate representing new lets which are sustained for more than a year was at 91.2% over the year, up from 89% last year.

Strong business performance (continued)
One of the biggest challenges across the sector has been the increase in demand for local authorities to tackle homelessness. Wheatley provided 2,406 homes for homeless people over the year which represented 62% of all our lets this year working together with our local authority partners to help tackle this serious issue. This was up from 2,207 the previous year and again surpassing our 2,000 annual target. Over the three years of our strategy, we have provided 7,068 homes for homeless people and are working with partners to deliver our strategic objective of 10,000 by the end of 2025/26.

As we move into the final years of our strategy, we will continue to engage with our customers to adapt what we do to meet their changing needs and circumstances and provide the support they need.

Improving our repairs service
We know repairs is a priority for customers and we continued to use feedback from customers as well as direct engagement through our Group Scrutiny Panel, made up of members from our Customer Voices Programme to help us improve the service.

We launched our 'Book It, Track It, Rate It' app in May 2023 to help us improve customer satisfaction. As well as updating customers at key points such as when their repair is booked and the tradesperson is on their way, it also allows them to rate the service. The average customer rating on a scale of 1 to 5 across the Group through the app is 4.5, equivalent to satisfaction levels of 90%.

There has been an increased demand for repairs across the sector since the pandemic and we carried out 313,309 reactive repairs over the year. Our specialist "MyRepairs" team focuses on the co-ordination of more complex repair work to deliver a high level of service for customers and help free up housing officers to spend more time with customers and in communities.

We continued our focus on dealing with reports of damp and mould in our homes. We have set quick response targets and aim to inspect reports of damp or mould within two working days and to complete any repairs needed within 15 working days. We grade all reports of damp and mould and the vast majority are minor in nature, with very low numbers of cases where significant mould or damp are present. Less than 1.5% of our stock had mould categorised as moderate or severe during 2023/24. During the year we carried out a wide programme of condition surveys using a firm of independent property surveyors combined with in person visits from housing officers which confirmed that our housing stock is in good condition. We reviewed our approach to addressing reports of damp and mould against the new legislation introduced in England and found that our approach goes further and responds more quickly to attend to and resolve reported issues compared to the English regulations.

Our average time to complete emergency repairs was 2.9 hours, down from 3.3 hours last year, and we completed 91.3% of repairs right first time. We remained 100% compliant with gas safety. The number of accidental fires in Wheatley Group homes fell by 18% over the year.

Customer First Centre
The CFC provides specialist support and 24/7 cover, with experienced advisors and housing professionals using everything from webchat to telephone and emails to offer first contact resolutions to tenant service requests and queries. Overall satisfaction with the CFC was high and stood at 86% at the end of 2023/24.

Staff at the CFC received 776,654 calls over the year, 69% of which were answered within 30 seconds, and an average waiting time of 59 seconds. The latest public sector benchmark information from 2022 reveal an average waiting time of 259 seconds. Our advisors resolved more than 86% of enquiries at the first point of contact. CFC staff also handled 21,960 webchats over the year and first contact resolution was at 100%.

Engaging with customers
Our customers play a key role in helping improve services, and our continued focus on customer insight and increasing opportunities for our customers to take part in decision making gives us stronger mechanisms to understand customers' priorities. Our recent tenant satisfaction survey saw customers rate how we keep them informed at 96% and the opportunities they have to participate in decision making at 98% both well above the Scottish average which stood at 90% and 87% respectively.

Over 1,000 customers were involved in our Customer Voices programme this year, taking part in surveys, neighbourhood walkabouts, community events and other activities. A total of 440 of those customers took part in panels and focus groups to help shape some of our key services, including around rent setting, housing performance, managing homes, anti-social behaviour and community safety. Our Group Scrutiny Panel is made up from members of our Customer Voices programmes and provides more focussed feedback on key service areas such as repairs and tenancy sustainment. Other customers have been involved in other activities such as surveys, walkabouts and community events.

We continued to expand the number of customers engaging with us online this year and encouraged them to contact us through our digital channels and online self-service accounts. A total of 52,811 customers, almost 57% of our customer base, were registered for an online account in 2023/24. Our online discounts scheme, MySavings, helped customers save money on their shopping. In 2023/24, 7,223 customers across Wheatley were registered for MySavings, an increase of 812 from last year.

Our websites had a total of 2.3 million visits during the year. The number of followers on our social media channels in 2023/24 grew to 56,667 up from 5,610 from the year before, and we received 1,686 enquiries from customers on social media.

In Wheatley Homes South our development team consulted with Dumfries residents in the Summerhill and Lochside areas on future plans for the regeneration of both areas.

Wheatley Care supported 49 customers to take part in its strategic review of care services, as well as the Scottish Government's consultation around a national care service. It has also started engaging with the people it works for to create a lived-experience service which mentors and advocates for people in the Glasgow's Fordneuk Accommodation and Support Service.

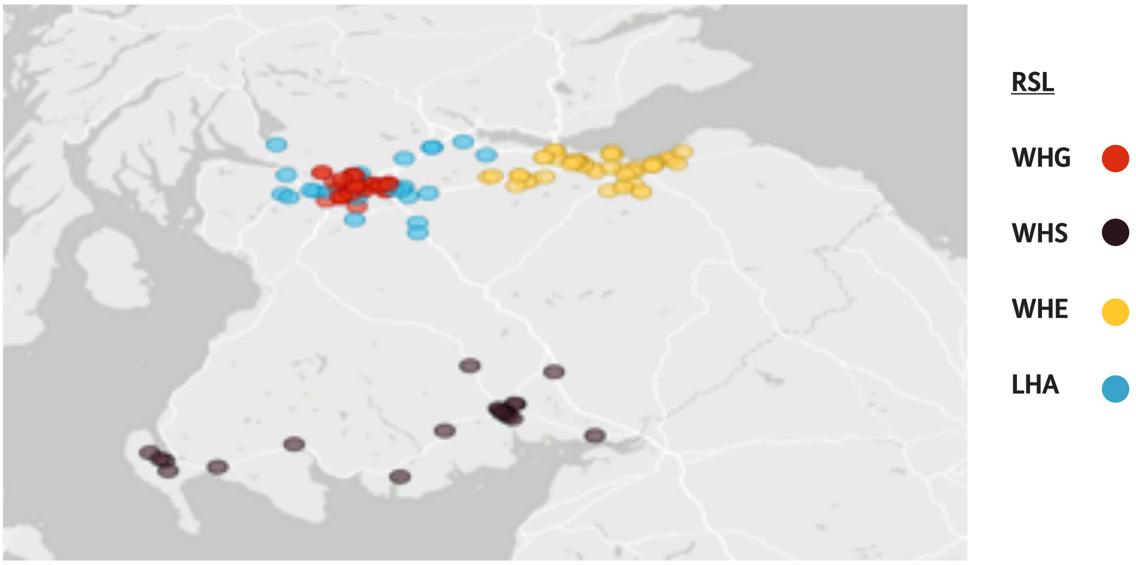
Knightswood Connects in Wheatley Care is a high impact/low-cost project which helps reduce the effects of social isolation by promoting engagement opportunities for older people living in the Knightswood area of Glasgow. In 2023/24, the project helped more than 250 people take part in activities including memory groups, art sessions and exercise classes to promote wellbeing.

Making the most of our homes and assets

New-build homes
We built 348 homes over the year, 227 for social rent and 121 for mid-market rent. We also started work on another 630 new homes – 434 social rent and 196 mid-market rent – at 13 sites across the year bringing the total number of homes on site or due on site to 1,706.

New-build properties completed during the year included:
- 24 new Loretto homes at Maddiston, Falkirk;
- 36 for Wheatley Homes Glasgow at Sighthill, Glasgow;
- 35 new Wheatley Homes South homes at Currie's Yard, Dumfries;
- 48 for Wheatley Homes East at Wallyford; and
- 21 new homes for Lowther Homes at Raw Holdings, East Calder

The map below shows the areas of the developments where we completed and are on site for the development of new homes in 2023/24.



Our new build homes were recognised with a number of awards in 2023/24. Loretto's development at Queens Quay in Clydebank won Best Regeneration Project at the Herald Property Awards and Best Affordable Housing Development Scotland at Inside Housing's Development Awards.

Like all social landlords, we face a challenging economic environment, with the Scottish Government 2024/25 budget reduction to the affordable housing supply programme likely to have an impact on how many homes we can build. Our future pipeline relies on the availability of Government grant for new projects to start on site over the coming year. We are working with our local authority partners and the Scottish Government to consider options to grow the supply of much-needed affordable housing.

Investment in existing homes
Over the year we invested £76.8m improving our existing homes, making them safer, more energy efficient and more attractive places to live.

Key projects carried out this year included:
- £8.4m on mechanical, electrical and plumbing work across Glasgow including £2.9m on 'Connected Response' installations in 3,100 homes, £2.0m on new video-controlled entry systems and CCTV in Wyndford, Broomhill and Gorget and £1.1m on new emergency lighting in high-rise blocks in Castlemilk, Summerston and Craigton;
- £12.9m on new energy efficient heating systems for 1,267 homes across the West and 307 homes in Dumfries and Galloway;
- £4.1m on new windows and doors, mainly for 158 homes in Pollok, 11 in Lennoxtown, 224 homes in Dumfries and Galloway and 50 homes including Pirrie Street and Menzies Road in Bathgate;
- £3.0m on work to internal common areas including fire safety measures;
- £3.0m on new kitchens and bathrooms at various locations including 186 homes across the West, 50 homes in WH South and 164 homes in WH East; and
- £1.8m on structural works and roofing for 727 WH South homes in Annandale and Eskdale, Nithsdale, Stewartry and Wigtown.

This investment also contributes to our aim of cutting emissions. In 2023/24, we reduced carbon emissions from our homes by over 5,100 tonnes. We also spent £577k through our Stronger Voices initiative where investment decisions are made in consultation with, and led by our customers, to address local priorities.

Regeneration plans
Our plans for Wheatley Homes Glasgow's £100m transformation of Wyndford gathered pace. By the end of 2023/24, our updated proposals included nearly 400 new affordable homes to be built as well as a new community hub and improved outdoor space. The four multi-storey blocks earmarked for demolition are now empty, with tenants there having moved to new homes in Wyndford or in other areas of their choice. The blocks are being prepared for demolition and work on the new homes will start soon after.

We work in partnership with Glasgow City Council as members of Transforming Communities: Glasgow, a body to oversee the delivery of regeneration and development across eight areas identified across the city as Transformational Regeneration Areas (TRAs).

Wheatley Homes South consulted with customers in the Lochside and Summerhill areas of Dumfries this year over ambitious plans which will see modern, high-quality affordable homes built across these communities.

Sustainability
Our sustainability related investment improves the energy efficiency of our homes and benefits customers through helping them to reduce what they pay for heating. This year we invested £14.9m in improvements which improved the energy efficiency of our homes. Our performance rating of our homes means that 91.9% of our properties are at EPC rating C or better.

In November 2023 the Scottish Government launched their consultation on the current Energy Efficiency Standard for Social Housing 2 (EESSH2) to determine a replacement measure to the existing EPC target to monitor carbon emissions in social housing as well as the energy efficiency performance. The consultation closed in March 2024 and independent analysis of the feedback provided is underway. We expect the Scottish Government to publish revised guidance for landlords on a new Social Housing Net Zero Standard (SHNZS) this year with this replacing EESSH2 no earlier than April 2025. We have taken into account the likely changes in planning our future programme of investment in existing homes and remain well placed to meet the targets laid out in the new standard.

This year we made good progress on our annual emissions reduction plan through investing in the fabric of our properties and in low and zero-carbon heating systems including air-source, ground source, solar PV, batteries and the installation of over 3,000 "Connected Response" smart controls for electric storage heating systems. We also piloted new technological solutions including a community solar PV system called SolShare which allows multiple dwellings to share access to the same solar PV system to use PV generated electricity more efficiently.

Together, the carbon reduction resulting from our capital investment in existing homes this year was 5,139 tonnes CO2. This progress means we continue to be on course to reach our stated objective to reduce emissions from our homes by 20,000 tonnes CO2 between 2021 and 2026.

Our 'Pathway to Net Zero Advisory Group' made up of academic and sectoral specialists has continued to meet, with their expertise helping us enhance our strategic insight, explore innovative financial solutions, and gather a rounded perspective on the latest methodologies for achieving the Scottish Government's climate change objectives.

Additionally, we secured support from the Scottish Government's Social Housing Net Zero fund, which has accelerated energy-efficiency improvements in our housing stock. This funding is instrumental and necessary in advancing our net-zero goals.

We have also continued to implement measures to reduce emissions from own corporate activities. Progress here, is assessed annually by Planet Mark. This year, 2023/24, marked the fifth year of our corporate activities Business Certification with Planet Mark. Of particular note, is our move to 100% renewable electricity. Fleet emissions reported within Scope 1 have increased in the year due to growth in the size of our in-house fleet due to an increase in the number of vehicles we operate following the transfer activities previously undertaken by third party contractors to in-house teams.

Our measured carbon emissions from our corporate activities are shown in the table below:

Tonnes of CO^2 arising from corporate activities	**2020/21**	**2021/22**	**2022/23**	**2023/24**
Scope 1 Emissions from sources owned or controlled directly by us	126.6t	1623.6t	1847.0t	1859.5t
Scope 2 (market based) Emissions caused indirectly as a result of our activities such as electricity purchased by us	75.4t	307.7t	320.2t	0t
Scope 3 Emissions produced by our supply chain (for example, travel for business purposes not procured by us)	21.0t	260.0t	435.9t	398.1t

Source: Planet Mark

We also report sustainability measures in our **Streamlined Energy and Carbon Reporting** related to utilities consumption for all activities (i.e. in addition to our corporate use), with the following energy usage and carbon emissions, across all subsidiaries, for this year as follows:

- Underlying global utilities use for the organisation for the year ended 31 March 2024 of 45,298,719 kWh (2023: 44,277,470 kWh)
- Emissions intensity ratio of 0.18 $kgCO_2/kWh$ (2023: 0.210 $kgCO_2/kWh$). All our electricity consumption is zero emissions rated. The emissions arising are as a result of gas consumption.
- Annual greenhouse gas emissions for the year reported in tonnes of carbon dioxide equivalent of 5,429 tonnes of CO_2 (2023: 7,166 tonnes of CO_2).

The methodology used to measure usage and emissions complies with the Energy Saving Opportunity Scheme legislation.

More information is provided in our Environmental, Social and Governance Report for 2023/24.

Changing lives and communities

Supporting our customers
A total of 22,251 Wheatley Group customers, more than 36% of our customer base, are now on Universal Credit, an increase of more than 3% from last year last year which puts pressure on household budgets during the migration period. Our skilled team of welfare benefits advisors can assist customers to access the benefits they are entitled to which can help alleviate budgetary pressure and help customers keep their rent accounts up to date.

Our welfare benefits advisors supported 7,956 people in 2023/24, which resulted in £13.7m of financial gain, over 30% of which directly contributes to the prevention of rent arrears. Our fuel advisors helped 3,360 Wheatley Group customers over the year.

Wheatley Foundation worked hard over the year to alleviate the effects of poverty on Wheatley Group customers and communities supporting more than 17,000 people over the year, many of whom were facing real financial hardship. We supported 11,555 households a total of 27,971 times including supporting 2,343 customers with food, 3,459 with their fuel bills and 6,671 with their rent through our Here For You Fund. Working with our partners, we created 988 jobs and training opportunities for people in our homes and communities, which generated £6.7m in social value.

Supporting and creating employment
Despite continuing economic difficulties, Wheatley Works created 131 job opportunities, 710 training opportunities and 147 apprenticeship opportunities for people living in our homes and communities over the year, with 73% going to Wheatley customers. This included 73 jobs and training opportunities for people with experience of homelessness, addictions and the criminal justice system through the 'Way Ahead' programme funded by Glasgow City Council.

A total of 180 people took part in our four-week employability programme, Environmental Roots, with 123 people moving on to a 12-month Changing Lives placement, a two-year environmental apprenticeship or external employment. Over the year, 50 existing Changing Lives trainees/environmental apprentices also secured jobs at the end of, or during, their placement, 33 of them with Wheatley subsidiaries.

As well as this, 55 people started trade apprenticeships with our partners, City Building, 21 of whom were young people from our homes, while four young people started a Modern Apprenticeship in Housing with us.

We also created 21 jobs and training opportunities through our Wheatley Pledge initiative, and 86 jobs and training opportunities for young people in Edinburgh were created through the Scottish Government's 'No One Left Behind' scheme.

Sector-based work academies developed by the Foundation, including in retail, health and social care, construction amongst others, saw 125 trainees take part, with 30 people already moving into work. Meanwhile, our 'community benefits' scheme, which helps Wheatley Group contractors and suppliers do more for people in our homes and communities, created 102 work placements, 34 apprenticeships and 10 jobs over the year.

We continued to help people get online and access the internet. The John Wheatley Learning Network, a network of 34 free computer learning centres, provided free drop-in digital support and internet access to 2,554 people in our communities.

The Foundation also awarded 50 people from our homes and communities a bursary to go to university or college and sent 817 children under five free books every month thanks to our partnership with the Dolly Parton Imagination Library, with more than 5,500 books delivered over the year.

Letting homes

We allocated 2,406 homes to people who were homeless in 2023/24, including 37 through Housing First, a multi-agency partnership to tackle rough sleeping in which Wheatley Housing Group plays a leading role. Over the year 161 homes 'flipped' to permanent homes for the homeless people living in them, including 132 'flips' for Ukrainian refugees.

Improving our neighbourhoods

We continued our work to keep our communities clean and safe. Wheatley's partnership with Keep Scotland Beautiful (KSB) sees the environmental charity assess the service delivered by our environmental teams.

At the end of 2023/24 all Wheatley Homes South, Wheatley Homes East and Loretto neighbourhoods are rated as five-star, the highest possible grade, while 89% of Wheatley Homes Glasgow neighbourhoods are rated as five-star, with the others working towards achieving that grade. A total of 41 Wheatley customers are now trained in KSB's standards and environmental monitoring and regularly take part in estate walkabouts with frontline staff, with more planned for next year.

We introduced a new 'Neighbourhood Champion' awards pilot scheme this year, which saw four Wheatley Homes East customers recognised for their work improving local communities. This will be rolled out to other communities in 2024/25. We also expanded our successful 'Environmental Weeks of Action' to take place four times a year. Working with schools, community groups, local authority partners and volunteers, we tackled bulk uplift and litter picking, as well as promoting recycled furniture, planting trees, creating community gardens and helping customers learn new horticultural skills.

Wheatley's Community Improvement Partnership (CIP), the specialist team of police officers and our Anti-Social Behaviour Prevention and Intervention officers has been in place for a number of years and works with communities to tackle anti-social behaviour and crime. The CIP engaged with Wheatley customers during the year on Anti-Social Behaviour and Neighbourhood Management policies.

At the end of 2023/24, almost 80% of all Wheatley neighbourhoods were classed as 'peaceful' which is the highest ranking used by Police Scotland with all neighbourhoods meeting the satisfactory categorisation of 'safe'.

We helped protect customers from the risk of fire by carrying out 614 person-centred fire risk assessments, formerly known as home fire safety visits, in our homes last year. In 2023/24, we upgraded 130 smoke and heat detectors in homes; installed 167 stove guard devices; delivered fire-safety products such as air fryers, fire-retardant bedding and metal bins to 400 customers; installed specialised fire detection systems in 31 homes and carried out fire-safety-related repairs in 224 homes. The number of accidental fires in Wheatley homes fell by 18% over the year.

Wheatley Care
Wheatley Care continued to provide inclusive and holistic support to people with complex conditions, including physical disabilities, learning disabilities, mental health conditions, addictions, and homelessness.

In 2023/24, we supported 7,407 people across our services, spanning 10 local authority areas, helping them get the most out of their lives and achieve their own positive outcomes. Two-thirds of our customers received support from our transitional services specialising in supporting people who have experienced homelessness or at risk of becoming homeless.

This year, around 30% of our customers, including customer representatives, took part in our care customer sentiment survey. A total of 97% of those who responded said they were satisfied with the care service they received, and 95% of respondents said they were satisfied with opportunities to participate in decision making that shapes services.

We continued to support people to engage with their community through a range of activities to improve physical and mental health, reduce social isolation and increase access to employment, volunteering, and education.

We used Wheatley's 'Stronger Voices, Stronger Communities' framework to help the people we work for shape our services. A total of 49 of our customers took part in our strategic review of our care services this year. We also continue to participate in the Scottish Government's consultation on a National Care Service from both a staff and people we work with perspective.

We engaged another eight new volunteers across our services in 2023/24, meaning 32 volunteers with unique skills and/or lived experience have supported the delivery of Wheatley Care services since 2021.

We developed our approach to peer mentoring and advocacy in partnership with the Glasgow Homelessness Involvement and Feedback Team this year and have already started engaging with customers to create a lived-experience service which supports and advocates for people in our Fordneuk Accommodation and Support Service.

In 2023/24, Wheatley Care was awarded a contract in Edinburgh to provide a registered housing support service to people experiencing homelessness. By the end of 2023/24, a dedicated team was in place to support up to 36 people living in temporary accommodation provided by Wheatley Homes East.

The Care Inspectorate inspected 11 of our services over the year. Out of our 19 live inspection reports, more than 81% received grades 5 (very good) or 6 (excellent) for the key themes inspected by the Care Inspectorate. This compares well with the national average of 59%. A total of 97% of our services received grade 4 (good) and above for key themes inspected, outperforming the national average of 81%.

We continued to support people to engage with their community through a range of activities to improve physical and mental health, reduce social isolation and increase access to employment, volunteering and education. We continued to use Wheatley's 'Stronger Voices, Stronger Communities' framework to help the people we work for shape our services.

Developing our shared capability

Learning and development
The Academy, Wheatley's learning and development team, helps staff improve their skills, develop their careers and fulfil their potential. We aim to enhance the confidence and professionalism of our staff by providing them with the tools they need to do the best job they can and provide excellent service to our customers.

Our learning portfolio continued to expand in 2023/24, with 62 new or enhanced e-learning modules created in response to staff feedback and policy updates. We have a suite of mandatory training modules, including cyber security, data protection, health and safety awareness and social media training. These modules were supplemented by refreshed training on topics such as procurement and handling complaints, as well as new courses on appraisals and our invoicing system, IPOS. In total, 28,528 online learning courses were completed by Wheatley staff over the year.

Our learning is a mix of online and face-to-face training provided by our in-house team and external providers. There were 7,549 attendees at in-person and online workshops in job-related training this year, including 323 staff who attended masterclasses in rent collection and 276 who took part in training around our new anti-social behaviour and neighbourhood management policies. A total of 438 staff attended adult support and protection training and 437 took part in child protection training.

A total of 88 Wheatley staff achieved a Chartered Institute of Housing (CIH) qualification in Level 2 and Level 3 in Housing Practice and a CIH Level 2 in Neighbourhood Maintenance for all new starts in our environmental teams. A total of 124 Changing Lives trainees, including 39 environmental apprentices, took part in our Routes to Work programme, a mix of classroom training and on-the-job learning with our environmental teams, resulting in a CIH qualification in Neighbourhood Maintenance.

We trained 218 staff from our CFC in our new cloud-based telephone system and 64 CFC advisors also received training in the new repairs system called Servitor established in the East and the South this year. We also trained 367 staff from our repairs contractors City Building (Glasgow) in Customer Service Excellence.

Wheatley is committed to the principles of Equity, Diversity and Inclusion (EDI). For us, this means people are treated fairly and equitably, individual differences are respected and valued, and customers and staff can feel comfortable being themselves. Our 'Different Together' Community of Excellence and other network groups support this. We expanded our mandatory EDI training this year to ensure staff understand how we work, adding in-person learning for staff and leaders to help create an inclusive working environment and help us support customers to engage with our services.

Creating opportunities
We welcomed 158 new-starts into Wheatley this year. A total of six new graduates started on Ignite, our four-year graduate programme which provides a combination of on-the-job training, support and mentoring and the opportunity to study for an MA in Housing Studies at Stirling University.

Identifying potential leaders and offering them opportunities to fulfil their potential has always been important to us. More than 72% of promoted posts within the organisation were filled by internal candidates in 2023/24. We continued our programme for leadership development, with 17 staff taking part in our Aspiring Leadership programme, 14 managers completing Leading with Impact sessions and another 22 starting our Senior Leadership Development programme.

Wheatley Foundation helped create 131 job opportunities, 710 training opportunities and 147 apprenticeships opportunities for people living in our homes and communities this year, with 73% going to Wheatley customers.

Bursaries and qualifications
Wheatley continues to offer staff the opportunity to gain an accredited qualification linked to their professional development. Our staff bursary scheme, an important way to support employees to further their education, helped 27 people gain qualifications in CIH level 4 in Housing, Masters in Housing Studies, ILM in management and SVQs in Health and Social Care over the year.

In 2023/24, 100% of Wheatley Care staff were registered with the Scottish Social Services Council (SSSC) within the first six months of joining the organisation. We are fully compliant with all SSSC qualification requirements.

A total of four young people started a two-year Modern Apprenticeship in Housing, and one in Business Administration, with Wheatley this year, with role-specific training and SVQ qualifications helping them develop their skills and knowledge to take the first steps in their career. We also took on five trade apprentices to work in Wheatley Homes South's in-house repairs team. Around 70 people attended our young person event held this year, a series of workshops and discussions on career development, work-life balance, networking and more.

Reward and recognition
Wheatley's rewards package offered staff a range of benefits this year, including shopping discounts, help with childcare, and support with the costs of opticians and dental treatments.

We continued to receive external recognition for excellence across our sectors in 2023/24. Wheatley Group retained Customer Service Excellence accreditation, the national standard for excellence in customer service in public sector organisations, was awarded 22 ratings of Compliance Plus and 33 ratings of Full Compliance. Wheatley currently holds Investors in People's Platinum accreditation and Investors in Young People's Gold accreditation.

Enabling our ambitions

A key element of our financial strategy is the focus on delivering operational efficiencies; embedding these within our business plan and annual budgets gives us the ability and capacity to respond to financial challenges. Despite higher levels of inflation and a volatile economic environment continuing to have an impact on our business and our customers throughout the year we were able to use our underlying financial strength to navigate through these challenges and produce a robust financial performance in 2023/24.

Value for money services and keeping rents affordable remains a key strategic aim. We need to ensure we strike the right balance between affordability for our customers during this continued period of pressure on household budgets against the ongoing financial viability of our operations and the preservation of investment in our homes and services to customers.

Cost inflation, interest rate increases and higher levels of demand for repairs have affected all UK social landlords in recent years and it is important to ensure we retain sufficient funding to maintain the quality of our homes and meet our legislative obligations including energy efficiency improvements which goes towards delivering the standards outlined in the Scottish Government consultation on the Social Housing Net Zero standard. During the year we invested £76.8m in our homes with a further £110.1m spent on repairs to keep them in good condition. Successful delivery of planned operational efficiencies resulted in a reduction in management and administration costs, a measure of the level of overheads, from £65.4m to £59.4m or from £1,047 per unit to £947 per unit. Since 2021, we have achieved a reduction in management costs of £174 per unit, the equivalent of £20.5m before the effect of inflation. In our recent tenant survey 92% of customers told us that they thought our services delivered value for money.

The number of customers in receipt of Universal Credit increased to 22,251 representing over a third of our RSL tenants, up from 20,157 last year. Our team of Welfare Benefits and Money advisors work closely with Housing Officers to support customers struggling financially. We have been able to provide funding once again this year to the Wheatley Foundation to assist our customers with £3.5m for our Here For You Fund. The variety of support we have been able to offer has been a key part of managing arrears levels which were 5.37% at the end of the financial year. This is an improvement from 5.44% at the previous year end and remained well below the sector average. Arrears are adjusted for the timing of the receipt of housing benefit.

At the end of the year, the Group had a strong level of liquidity in place with access to undrawn loan facilities of £234.8m (2023: £270.3m) in addition to £36.3m (2023: £39.7m) of cash balances, which underpins the delivery of strategic targets set out in our 2021-26 strategy Your Home, Your Community, Your Future. Financial covenants in place with the Group's lenders continue to be comfortably met and our updated financial projections show a robust level of headroom against the covenants after applying a variety of financial stress testing scenarios.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) adjusted for non-cash accounting adjustments for new-build grant, investment property valuation movements and FRS 102 pension movements grew to £146.2m, an increase from the prior year figure of £143.4m. EBITDA has returned to an improving trajectory with cost efficiencies providing capacity to navigate the higher costs experienced in recent years. We will continue to target further operational efficiencies to help maintain financial agility within the business with agreed targets embedded within our financial projections and annual budgets.

The Group's annual turnover of £412.6m includes the recognition of £42.0m of grant income related to the new-build programme and funding for energy efficiency improvements in existing homes. The amount of grant varies from year-to-year dependant on the timing and size of the new build programme and other grant awards. Excluding grant income, group turnover of £370.6m increased by 3% linked to the below inflation rent increase applied in April 2023 in recognition of the initial impact of the cost-of-living crisis on tenants' household finances. Net financing charges are £71.4m, an increase of £7.4m compared to the previous year with new borrowings drawn to fund our new build programme. During the year we secured a new £40.0m loan facility from Allia under the Scottish Government Charitable Bond Programme.

The Group's Statement of Financial Position reported net assets of £1,473.7m (2023: £1,237.6m). Net assets at 31 March 2024 included an increase in the valuation of social housing properties of £238.4m representing the long-term value of investment in customers' homes and the investment in the new-build programme. The Group generated £160.9m of cash from core operating activities after meeting all operating expenditure which was used to invest in improvements in existing homes and the development of new build housing. In line with our constitution, cash balances and surpluses can only be used for the delivery of housing services, investment in homes and the provision of new build housing.

In Lowther our factoring and private letting operations performed consistently generating an operating margin of 24% (2023: 23%) before non-cash accounting adjustment for property valuations. This allowed a gift aid payment of £2.7m (2023: £3.1m) to be made to the Wheatley Foundation for community investment projects and provided funding to support our tenants through the cost-of-living crisis.

Standard & Poor's annual review of the financial outlook for the Group was reported in May 2024 which affirmed our A+ rating with a stable outlook demonstrating confidence in our financial performance and ability to navigate through the challenges faced by the sector. In their report, they commented on our solid management, flexibility to adjust discretionary spending where required and the strength of our liquidity, retaining sufficient financial headroom within the business. They noted our commitment to ensuring our rents are affordable and recognised the energy efficiency of our homes with almost 92% at EPC Band C rating being "ahead of sector peers". Our A+ stable rating places us in a small number of the highest rated large housing providers in the UK. They also reviewed the separate standalone rating for Lowther which retained its A rating.

Financial Performance – Group Highlights

The Group produced a strong and resilient financial performance in 2023/24 against the continued challenges presented by the prevailing economic environment. We have continued to demonstrate that we can deliver our objectives in a financially sustainable way that provides us with a solid platform to achieve our strategic objectives. Key financial performance indicators remain strong, complementing a similar trend in customer satisfaction measures, a reflection of the Group's focus on the activities customers have told us are most important.

Statement of Comprehensive Income

The Group generated an operating surplus of £74.2m (2023: £79.4m) for the year after accounting for non-cash items including other gains and losses and the timing of grant income recognised on new build completions. Excluding non-cash items detailed below, operating surplus generated from core activities was £2.8m higher than the prior year.

The movement in non-cash items reported within operating surplus are:

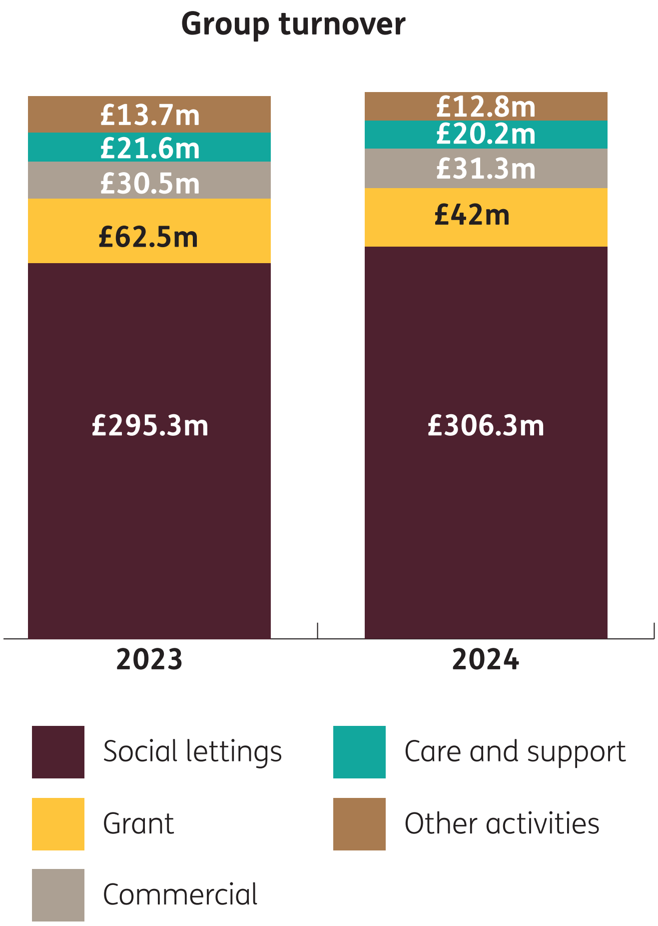
- Grant income recognised on the completion of new build properties for social letting activities is £27.6m compared to £54.8m in the prior year, a reduction of £27.2m. The grant received for new build is held on the Statement of Financial Position until the properties are completed when it is recognised as income through operating surplus. The amount recognised can vary from year-to-year dependant on the timing and size of the new build programme.
- Other gains and losses include an upward movement on valuation of investment properties of £9.9m. The prior year operating surplus was after a downward movement on the valuation of investment properties of £9.2m. Investment properties are held on the Statement of Financial Position at valuation and on completion of new-build properties FRS 102 requires the associated grant income to be recognised through profit or loss under the performance model.
- In 2022/23, a non-cash accounting gain on business combination of £0.5m was recognised following the transfer of 16 properties and other assets and liabilities from Strathclyde (Camphill) Housing Society Ltd to Wheatley Homes Glasgow.

Table 1

Five-Year Summary	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m
Statement of comprehensive income					
Turnover	357.1	388.6	418.0	423.6	412.6
Operating expenditure	(271.6)	(303.9)	(332.0)	(335.5)	(348.3)
Other gains and losses	229.3	(8.0)	(3.1)	(8.7)	9.9
Operating surplus	**314.8**	**76.7**	**82.9**	**79.4**	**74.2**
Gain on disposal of fixed assets	0.7	1.8	1.1	0.3	0.9
Net finance charges	(71.4)	(99.0)	(63.7)	(64.0)	(71.4)
Movement in fair value of financial instruments	0.5	(2.2)	(4.3)	0.8	3.7
Operating surplus for the year before tax	**244.6**	**(22.7)**	**16.0**	**16.5**	**7.4**
Operating surplus	**314.8**	**76.7**	**82.9**	**79.4**	**74.2**
Adjusted for:					
New build grant	(50.5)	(28.9)	(36.5)	(54.8)	(27.6)
Other gains and losses	(229.3)	8.0	3.1	8.7	(9.9)
Depreciation and other non cash accounting items	85.0	95.6	110.2	110.1	109.5
EBITDA	**120.0**	**151.4**	**159.7**	**143.4**	**146.2**
Adjusted for:					
Investment in existing affordable housing	(66.2)	(47.6)	(108.7)	(76.7)	(76.8)
EBITDA MRI	**53.8**	**103.8**	**51.0**	**66.7**	**69.4**

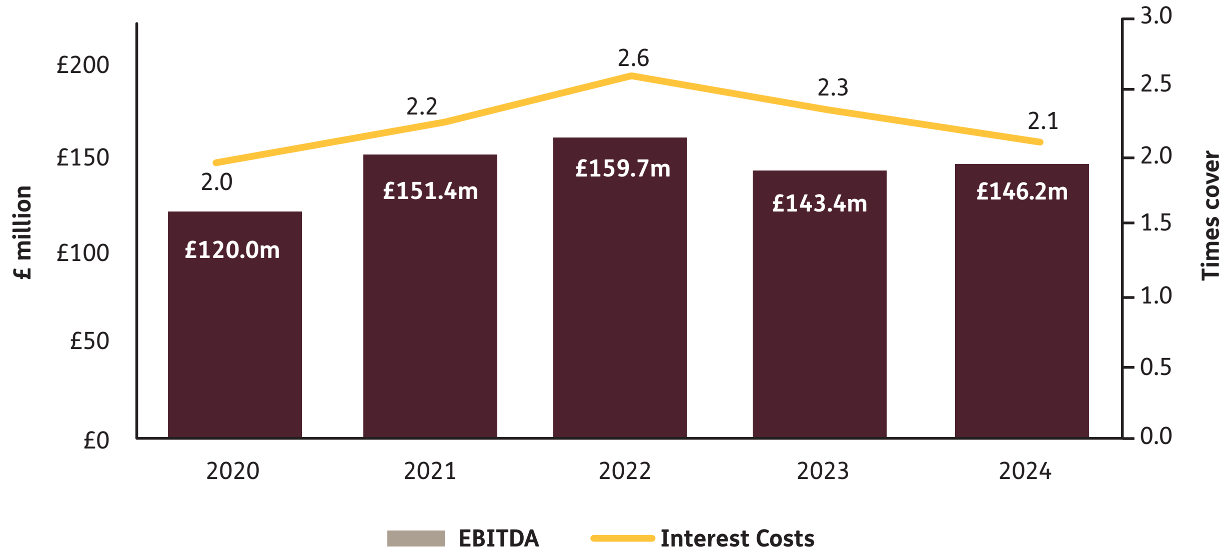
- As shown in the summary of the Statement of Comprehensive Income in table 1, total turnover was £412.6m, down from £423.6m in 2023. The decrease of £11.0m arises from a lower level of new build grant income recognised following the completion of our new build properties offset in part by an improved income position from our social housing activities. The amount recognised varies year to year in line with the relative size of the new build programme.
- Chart 1 shows turnover generated in the Group's core social letting business from rents and service charges grew to £306.3m up from £295.3m in the prior year, an increase of £11.0m linked to the below inflationary average rent increase across our social housing plus additional homes completed in the new build programme.
- Non-social housing activities represent a relatively small proportion of the Group's overall turnover. In 2023/24, care and support income of £20.2m remained around 5.0% of Group turnover. Factoring and letting activities generated a further £31.3m or 7.6%. Other income of £12.8m includes grants and donations to the Wheatley Foundation, income from owners for improvements and commercial property income.

Chart 1:



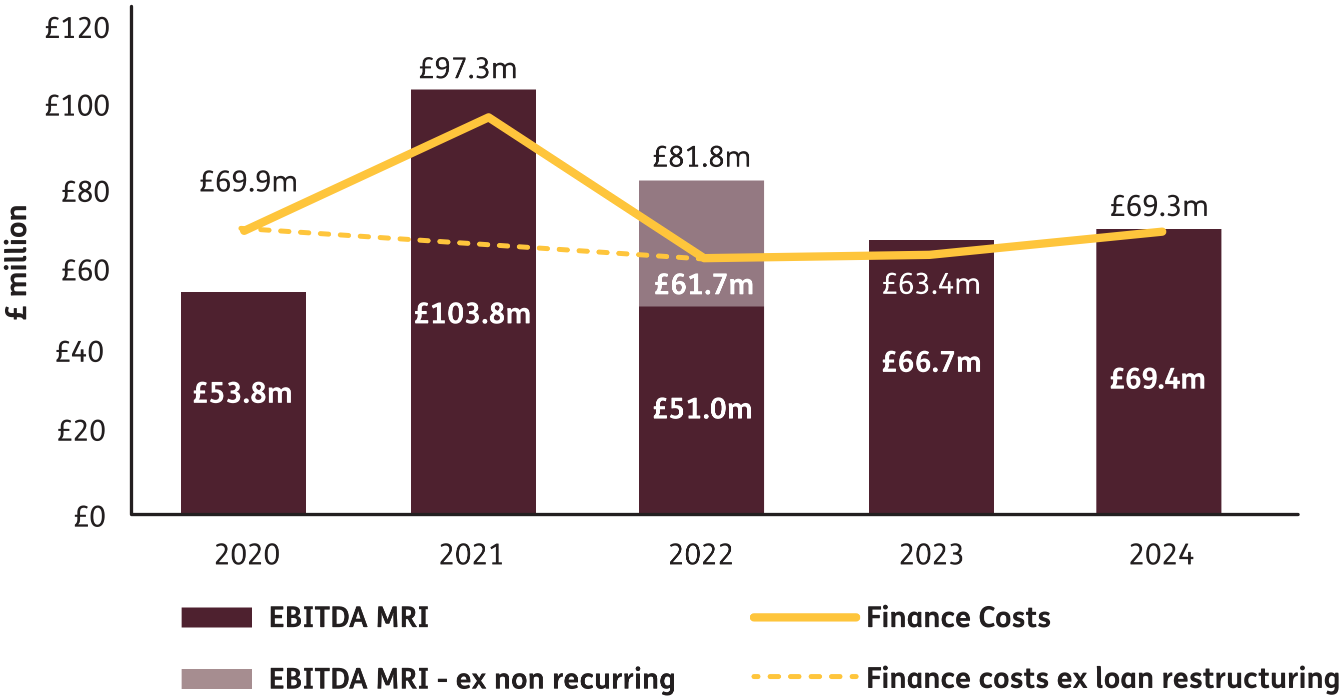
- EBITDA or earnings before interest, tax, depreciation and amortisation adjusted to remove new-build government grant and non-cash accounting adjustments reported in other gains and losses and FRS 102 pension costs increased to £146.2m from £143.4m in the prior year as shown in table 1. We have grown our revenues and despite the challenges presented by high inflation have maintained an improved year on year EBITDA position.
- With continued focus on delivering cost efficiencies, overall EBITDA has improved over the five years from 2019/20 by £26.2m or 22% driven by operational efficiencies and improvements in financial performance. EBITDA in 2021/22 benefitted from the inclusion of a one-off receipt of £12.9m in other income which was reinvested into capital improvements and the pandemic restrictions imposed by Government in 2020/21 saw an increase in EBITDA from reduced repairs costs.
- As shown in chart 2, the Group's ability to meet interest payments due on borrowings from EBITDA also known as interest cover, has been maintained at 2 times above or higher. The reduction in the cover ratio is linked to an increase in the cost of servicing our variable rate borrowings in line with the increase in the Bank of England base rate. Our exposure to interest rate movements is mitigated with 86% of our borrowings on fixed rate arrangements at 31 March 2024.

Chart 2:



- The Group uses adjusted EBITDA after taking account of all fixed asset capital investment spend in existing affordable housing as a key indicator of financial strength. This is referred to as EBITDA MRI (as shown in table 1) and is assessed relative to finance costs for the year to show the earnings available to service borrowings. Strengthening the ability of the Group to generate surpluses over and above the level required to fund capital investment and service debt with new borrowing only for funding new build development is a key strategic objective.
- As shown in chart 3, for 2023/24, EBITDA MRI, after deducting capital investment of £76.8m, was sufficient to cover interest payments. This was achieved while facing inflation-driven increases to the array of goods and services that are required to run a Group of our size while ensuring we maintained the size of our investment programme in existing housing to deliver capital and energy efficiency improvements in the year.
- Chart 3 shows the progress against this objective over the five years since 2019/20 and the achievement of this financial milestone for the first time in 2020/21 where EBITDA MRI exceeded interest costs. In 2021/22 a large element of non-recurring capital works were undertaken in Wheatley Homes South which had been postponed in 2020/21 due to the pandemic. Excluding these catch-up capital projects EBITDA MRI of £81.8m would have been reported sufficient to cover interest payments.

Chart 3:



Statement of Financial Position

- Total reserves of £1,473.7m increased by £236.1m in the year. Social housing and investment properties increased in value by £372.0m this year representing the long-term value of investment in customers' homes and the investment in the new-build programme, completing 348 new homes this year with a further 1,706 on site or due on site.
- Our social housing properties are valued using the Existing Use for Social Housing Valuation methodology ("EUV-SH") which will not always reflect the scale of capital investment spend reported in the particular financial year. The increase in valuation at 31 March 2024 reflects the view of our independent valuation expert on the high quality and good condition of our properties.
- Debt and gearing levels remain sustainable, with long term loans of £1,580.6m (2023: £1,529.6m). Gross debt per unit was £24,715 (2023: £23,909), which remains below the majority of large UK housing groups. Gearing, measured by net debt as a percentage of asset values in the Statement of Financial Position also remained comfortable at 49% at 31 March 2024 (2023: 53%).
- Current liabilities of £212.4m are reported, an increase of £58.5m on the £153.9m at 31 March 2023. This is driven by a reduction in the amount of new build grant income released from current liabilities to the Statement of Comprehensive Income in the year on completion of properties, an increase in rent and service charges received in advance due to the timing of rent payments and benefit receipts and an increase in borrowings falling due for repayment within one year. Other long-term liabilities have increased from £101.5m in 2023 to £125.9m in 2024 due to the receipt of new build grant income in the year for properties due to complete after 31 March 2025.

Table 2

Five-Year summary	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m
Statement of Financial Position					
Social housing and investment properties	2,573.6	2,710.6	2,759.1	2,873.8	3,245.9
Other fixed assets	72.9	65.2	121.3	74.2	78.9
Current assets	170.5	189.0	120.5	86.6	87.8
	2,817.0	2,964.8	3,000.9	3,034.6	3,412.6
Current liabilities	131.6	158.9	186.3	153.9	212.4
Long term loans	1,452.5	1,479.4	1,493.7	1,529.6	1,580.6
Other long term creditors	62.4	78.9	78.3	101.5	125.8
Provisions and pensions	29.7	29.3	9.5	12.0	20.1
Reserves	1,140.8	1,218.3	1,233.1	1,237.6	1,473.7
	2,817.0	2,964.8	3,000.9	3,034.6	3,412.6
	2020 £m	**2021 £m**	**2022 £m**	**2023 £m**	**2024 £m**
Gearing					
Social housing properties	2,350.8	2,474.7	2,496.8	2,599.9	2,935.9
Market-rent properties	209.8	222.9	248.9	259.8	295.6
Asset values	2,560.6	2,697.6	2,745.7	2,859.7	3,231.5
Loans	1,461.7	1,487.4	1,510.2	1,546.0	1,614.1
Cash	(116.4)	(132.2)	(62.2)	(39.7)	(36.3)
Net debt	1,345.3	1,355.2	1,448.0	1,506.3	1,577.8
Gearing %	53%	50%	53%	53%	49%

Cashflow and liquidity

All cash balances and surpluses are fully reinvested in the delivery of housing services, investment in tenants' homes and the delivery of new homes. Under Wheatley's constitution no cash or surpluses can be used for any other purpose.

The Group generated a cash inflow of £160.9m (2023: £144.9m) from operating activities demonstrating our ability to generate sufficient funds from core letting and property management operations to meet the costs of providing our services to customers and invest in existing homes. New borrowings were drawn from facilities secured under the Scottish Government Charitable Bond Programme and our revolving credit facility which were used to fund our new build programme. The Group's ability to generate a high level of operating cashflow was recognised by S&P during their recent review of the Group's credit rating.

- Rental cashflows remained strong and dependable with arrears levels being closely monitored with over a third of our customers now migrated to Universal Credit. Rental income also grew from an increase in property numbers with the addition of 644 new homes in 2022/23 and a further 348 during the year. Savings achieved from the successful delivery of our efficiency targets also contributed with management costs reducing to £947 per unit from £1,047 the year before.
- To help support the development of new housing, grant income of £76.7m (2023: £55.5m) was received in the year from the Scottish Government and local authorities. Other grant income to help deliver projects in existing homes of £0.5m was also received (2023: £1.0m).

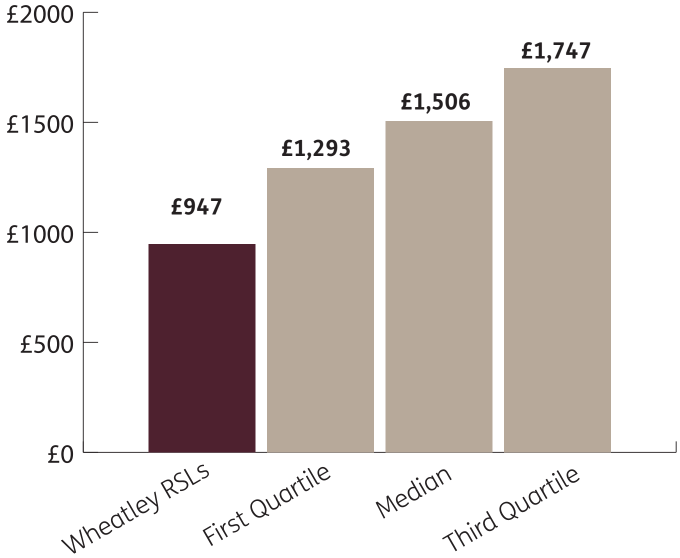
- After taking account of investing and financing activities, cash and cash equivalents were £36.3m; a reduction of £3.4m in the year with those funds utilised in the delivery of the new build programme and planned repayment of borrowings.

Social Letting Activities highlights
In addition to the Group measures of operating surplus and EBITDA and EBITDA MRI, additional key performance indicators ("KPIs") are used to assess and benchmark performance of our RSLs against our strategic objective of delivering exceptional customer experience with a particular focus on services representing Value for Money.

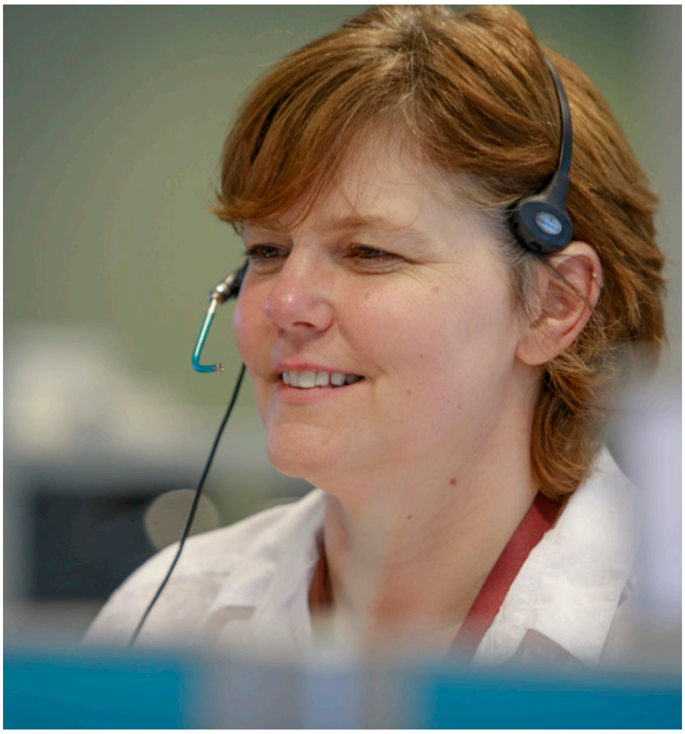
- Management and administration costs
  Management costs are reported in note 4 to these financial statements. For the Group RSLs, management cost per unit in 2023/24 was £947 reducing from £1,047 in the prior year and down from £1,121 in 2021, providing real savings of £20.5m after adjusting for the effect of inflation over the first three years of our 2021-2026 strategy. Wheatley's management cost per unit has been consistently below the median for the sector as compared against other mainstream Scottish RSLs with a majority of stock classified as general needs.

Around a quarter of the Group's properties are high-rise flats, and by virtue of the services provided such as the investment in concierge and environmental services, management costs in these properties are higher than similar low-rise properties. We focus on the efficiencies of our group structure to minimise overheads and provide services which represent value for money to our customers.

Chart 4: Management and administration unit cost 2023/24



Source: Scottish Housing Regulator comparison of Scottish RSL unit costs 2022/23
Wheatley Housing Group Financial Statements 2023/24 note 4, note 17

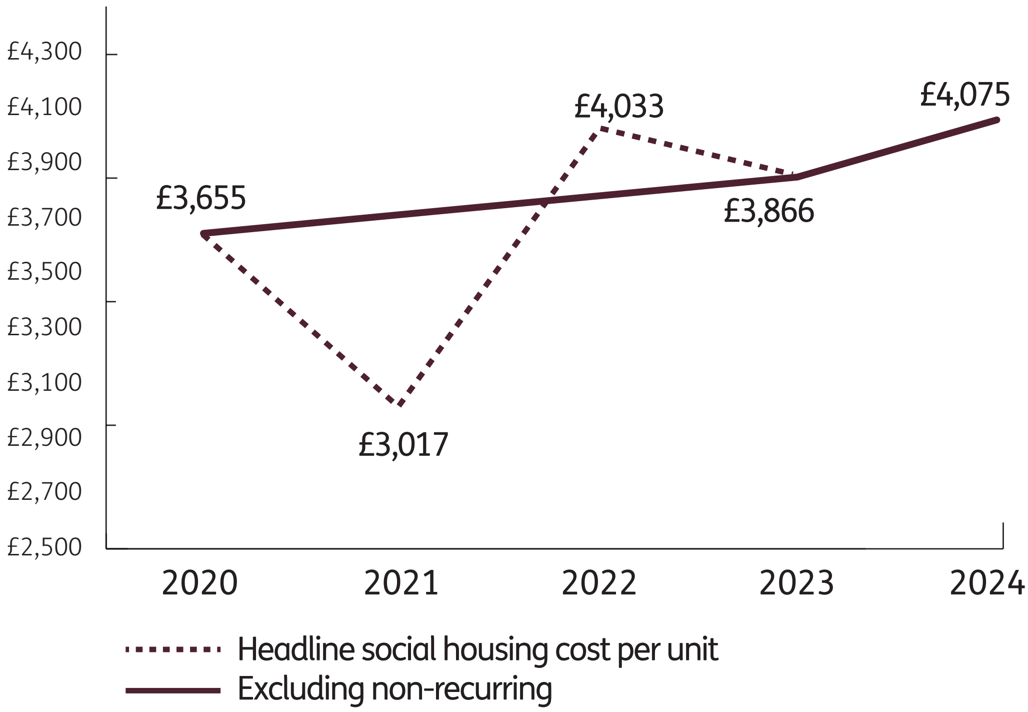


- Social Housing cost per unit
  Headline social housing cost per unit includes revenue repairs and maintenance spend and investment in capital improvements within our social housing properties. Money invested in existing homes across revenue repairs, maintenance and capital improvements comprises the largest element of this KPI with £186.9m spent this year (2023: £174.5m).

In 2023/24 a headline social housing cost per unit of £4,075 is reported compared to £3,866 in 2022/23 with the uplift linked to the increase in the level of spending in our existing properties in line with our objective to provide high quality housing and invest to improve the energy efficiency of our homes.

Over the pandemic period 2020/21 and 2021/22 the profile of our capital programme was disrupted, initially by pandemic restrictions and thereafter by catch up investment spend postponed from the year before. Stripping out this disruption, social housing cost per unit shows an increasing trend in line with our targets and current and future financial planning to increase the level of investment in homes.

Chart 5: Headline social housing cost per unit



Treasury Management
Long term debt facilities

As at 31 March 2024, Wheatley Group had £1,851.5m (2023: £1,823.8m) of bond and bank funding facilities in place with total Group drawn debt balances of £1,616.7m (2023: £1,553.5m). The RSL Group treasury vehicle, Wheatley Funding No.1 Ltd ("WFL1") provides the debt facilities via intra-group agreements for five group subsidiary companies: Wheatley Homes Glasgow, Wheatley Homes South, Wheatley Homes East, Loretto Housing and Wheatley Developments Scotland Limited.

The funding facilities of WFL1 consisted of bank facilities from a syndicate of three commercial lenders, as well as two debt facilities from the European Investment Bank, committed facilities from RBS and Barclays, private note placements, Scottish Government charitable bonds administered by Allia, and bond funding raised on the debt capital markets. WFL1 facilities totalled £1,667.5m at 31 March 2024 (2023: £1,639.8m). These loans are secured on property assets of these RSLs through a security trust structure.

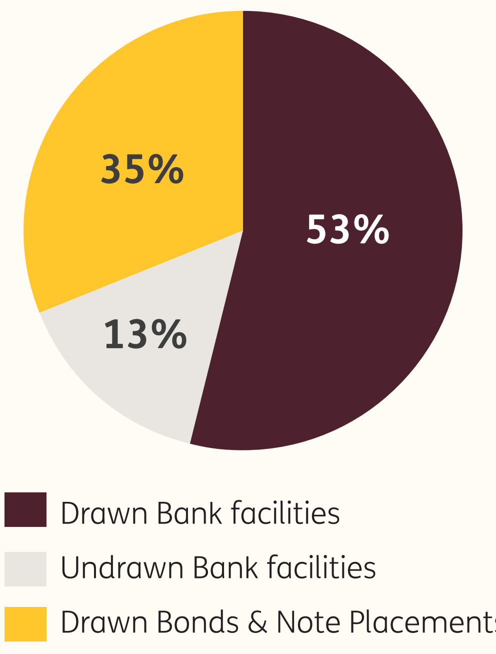
In addition to group funding through WFL1, Wheatley Homes East has a £16.5m direct loan from The Housing Finance Corporation ("THFC") secured on their property assets and a £16.0m unsecured loan from Allia. Wheatley Homes South has a £40.0m direct loan from THFC secured on their property assets and several unsecured loans totalling £35.0m with Allia.

Wheatley Funding No.2 Ltd ("WFL2") is the funding vehicle for the commercial activities of the Wheatley Group with a £76.5m (2023: £76.5m) debt facility in place with Scottish Widows, secured against properties for mid-market and private sector rent.

Entity	Facility	Principal
WGC plc	Public bond - issued 2014/15	£300.0m
WFL1	Private Placement loan notes - issued 2017/18	£100.0m
WFL1	Private Placement loan notes - issued 2018/19	£50.0m
WFL1	Private Placement loan notes - issued 2019/20	£114.0m
WFL1	Barclays facility	£50.0m
WFL1	RBS facility	£35.0m
WFL1	Commercial bank syndicated facility	£672.8m
WFL1	European Investment Bank facilities (2003 & 2018)	£270.7m
WFL1	Allia facilities	£75.0m
WH East	THFC facilities	£16.5m
WH East	Allia facilities	£16.0m
WH South	THFC facilities	£40.0m
WH South	Allia facilities	£35.0m
WFL2	Scottish Widows facility	£76.5m
		£1,851.5m

Total drawn balances as at 31 March 2024 were £1,616.7m (2023: £1,553.5m). Group RSLs had drawn £1,396.0m from WFL1. Wheatley Homes East direct loans were drawn at £16.5m from THFC and £16.0m from Allia. Wheatley Homes South direct loans were drawn at £40.0m from THFC and £35.0m from Allia. In WFL 2, Lowther Homes had fully drawn the £76.5m facility. The split of total facilities in shown in chart 6 below:

Chart 6: Total Facilities



As at 31 March 2024, £234.8m (12.7%) of borrowing facilities were undrawn (2023: £270.3m, 14.8%).

The weighted average duration of drawn debt across the Group is 15.0 years (2023: 15.1 years). Under the Group Treasury Management Policy, we retain adequate immediately available funds to meet our cash requirements for at least the next 24 months (Liquidity Golden Rule).

The historic weighted average cost of drawn debt, inclusive of margins and hedging activities, was 4.43% on a Group-wide basis at 31 March 2024 on an annual effective rate basis (2023: 4.2%). Asset value (for debt security purposes) was £3,350.6m at 31 March 2024, with £718.0m (23.3%) of assets being available for security (either categorised as unsecured or unallocated to a funder).

Counterparty risk

The notional pooling of surplus cash across RSLs is used to enhance the Group's ability to earn interest on cash balances. Cash balances are held in accounts or invested in AAA-rated money market funds that earn interest and minimise balances held in zero interest accounts.

The Group operates a conservative counterparty risk management strategy that aims to minimise the risk of a financial loss, reputational loss or liquidity exposure as the result of counterparty to any treasury transaction becoming insolvent. As at 31 March 2024, all cash investments are held with counterparties who meet the criteria of the Group Treasury Management Policy.

Interest rate risk

The Group's Treasury Management Policy sets out an on-going objective in relation to the proportion of fixed versus floating rate debt, with the target proportion in the policy specified at 75 – 95% across the term of the debt. At 31 March 2024, 86.3% of Group borrowings were at fixed rates (2023: 88.3%).

In respect of bank loans, the Group hedges against interest rate risk with embedded hedges, the terms of which permit these loans to be classified as "basic" financial instruments under FRS 102. The Group does not have any stand-alone derivatives connected with any debt instruments and no margin call clauses exist in any of the Group loans.

Currency risk

The Group borrows and invests surplus cash only in sterling and does not have any foreign currency risk.

Loan covenant compliance

Loan covenants relate to interest cover, borrowing levels relative to surplus generation and per unit, and asset cover, based on social housing asset values. Covenants are monitored monthly and were comfortably met throughout the year and at the year-end for all loan facilities.

On behalf of the Board

Jo Armstrong, Chair
28 August 2024

Directors' report

The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2024.

Result for the year
The result for the year and an analysis of the performance of the Group has been included within the Strategic Report.

Wheatley Board, Committee structure and related matters
Wheatley Housing Group ("the company") is the parent company of the Group which comprises a range of subsidiaries, referred hereafter as 'partners'. Our partners include: four RSLs; a group development company; a commercial subsidiary; our care subsidiary; a group services company Wheatley Solutions, The Wheatley Foundation and a 50:50 joint venture with Glasgow City Council – City Building (Glasgow) LLP.

All members of the Group work collaboratively to ensure that each member can achieve more for their customers and communities through being part of the Group than they could on their own.

The Group is regulated by the Scottish Housing Regulator ("SHR") and complies with the SHR's Regulatory Framework and Regulatory Standards of Governance.

As at 31 March 2024, the company's Articles of Association allowed for the appointment of up to fourteen directors as follows:

- Up to six Independent Non-Executive Directors
- Up to five subsidiary Chair Board Directors
- Up to two Co-opted Directors
- Up to one 'Other' Director

The Directors of the Group Board who hold current appointments up to the date of signing the financial statements are listed below together with any Group Committees served on at any point over the same period, followed by a list of Directors who resigned during the year.

Current appointments

Jo Armstrong Group Chair

Appointment 24 June 2015 (Appointed Group Chair 29 September 2021)

Jo is one of Scotland's leading business economists whose extensive professional career spans financial services, the Scottish civil service and charitable sector. An experienced Non-Executive Director and Chair, Jo is currently the Chair of the Accounts Commission for Scotland, a panel member of the Competition and Markets Authority, Chair of Hub West Scotland and a Fellow of the Institute of Directors.

Previously, Jo chaired OFGEM's expert panel for its Electricity Network Innovation Fund; was a budget advisor to two Scottish parliamentary committees; an honorary professor of Public Policy at Glasgow University; was a Board member at the Water Industry Commission for Scotland and is a former chair of ENABLE Scotland. She holds two degrees in economics from the University of Strathclyde.

Group Boards and Committees
Group Strategic Development Committee
Group Remuneration, Appointments, Appraisals and Governance Committee.

Caroline Gardner CBE Non-Executive Director

Appointment 29 September 2021

A qualified accountant, Caroline was the Auditor General for Scotland from 2012 to 2020, responsible for auditing the Scottish Government and reporting to the Scottish Parliament on more than £40bn of public spending. She is an experienced non-executive director; current board roles include PwC UK's Audit Oversight Body and the International Federation of Accountants. Caroline is a Fellow and past President of the Chartered Institute of Public Finance and Accountancy, a Fellow of the Royal Society of Edinburgh, and an honorary professor at the University of Glasgow. She holds an honorary doctorate from the University of Strathclyde.

Group Boards and Committees
Group Audit Committee (Chair)
Group Strategic Development Committee,
Group Remuneration, Appointments, Appraisals and Governance Committee
Wheatley Group Capital PLC
(Non-Executive Director)
Wheatley Funding No1 Limited
(Non-Executive Director)
Wheatley Funding No2 Limited
(Non-Executive Director)

Jo Boaden CBE Non-Executive Director

Appointment 17 December 2018

Jo started her career as an Environmental Health Officer in Glasgow and has since held a number of senior roles in housing, regeneration and social policy across the UK in both the public and private sectors. Prior to her retirement, Jo was Chief Executive of the Northern Housing Consortium for 9 years.

An experienced Non Executive, Jo is a member of the Board of the Regulator of Social Housing in England and Chair of CaCHE North and the Midlands Hub – the UK collaborative centre for housing evidence. Prior to this Jo was Chair of Your Homes Newcastle, one of the largest property management organisations in the North East.

A former winner of the prestigious Woman of the Year title at the 2018 Women in Housing Awards, Jo was awarded a CBE for services to housing in 2018 and holds a LLB (Hons) and MBA.

Group Boards and Committees
Wheatley Solutions (Chair)
Wheatley Homes South (Chair)

Lindsey Cartwright Subsidiary Chair Director

Appointment 29 September 2021

Lindsey is a qualified solicitor with over 25 years' experience and is a partner at Morton Fraser Macroberts LLP. Lindsey is accredited by the Law Society of Scotland as a specialist in employment law and is the first female President of the Employment Law Group in Scotland. She is also the Senior Tutor in employment law for the Diploma in Professional Legal Practice at The University of Glasgow.

Group Boards and Committees
Wheatley Care (Chair)

Maureen Dowden Subsidiary Chair Director

Appointment 12 May 2020

Maureen has worked in housing for almost 40 years, a career that started in local government and went on to include senior positions at The Glasgow Housing Association and Wheatley Group prior to retiring in early 2018. She has a particular expertise in corporate governance in regulated environments, and community empowerment and engagement. An experienced Non-Executive, Maureen is Vice Chair of Thenue Housing and has previously held roles on the Boards of Quality Scotland Foundation, Loretto Housing Association and Supporting Communities Northern Ireland.

Group Boards and Committees
Wheatley Homes Glasgow (Chair)
Wheatley Solutions (Non-Executive Director)
Group Remuneration, Appointments, Appraisals and Governance Committee
Group Audit Committee

Bryan Duncan Non-Executive Director

Appointment 17 January 2019

A Chartered Surveyor, he has spent more than 35 years specialising in commercial and residential property investment, development and asset management. Bryan was an equity partner at Donaldsons LLP, a senior director at DTZ and is currently the founder/owner of Henry Duncan, a niche commercial and residential property investor, developer and financier.

Bryan also has a wide range of non-executive experience and currently serves as a Non-Executive Director of a number of organisations including Hope for Glasgow Ltd, Cornhill Scotland and the London City Mission. Bryan holds an Executive MBA and Diploma in Management Studies.

Group Boards and Committees
Group Remuneration, Appointments, Appraisals and Governance Committee
City Building (Glasgow) LLP (Wheatley appointee)
Wheatley Developments Scotland (Chair)

Eric Gibson Subsidiary Chair Director

Appointment 29 September 2021

Prior to his appointment to the Wheatley Group Board, Eric was a Non-Executive Director of Cube Housing Association and also served as the Vice Chair of The Wheatley Foundation from its formation in 2016 until 2021. Eric was a career banker and Fellow of the Chartered Institute of Bankers in Scotland, and held various senior management roles with Bank of Scotland and Lloyds Banking Group. During his banking career, Eric worked with SME and corporate customers in a wide variety of sectors. On leaving banking in 2014, Eric established his own advisory business which he ran for three years. He was formerly a Board member at Social Investment Scotland where, in addition to his Board role, he chaired the Credit Risk Committee.

Group Boards and Committees
Lowther Homes (Chair)
Loretto Housing (Chair)
Wheatley Group Capital PLC (Non-Executive Director)
Wheatley Funding No1 Limited (Non-Executive Director)
Wheatley Funding No2 Limited (Non-Executive Director)

Bernadette Hewitt Non-Executive Director

Appointment 25 October 2016

Bernadette has a wide range of governance, community development and Non-Executive experience across a range private, regulated and not-for-profit organisations.

A passionate advocate of community engagement and empowerment Bernadette previously served as the Vice-Chair of Barmulloch Community Development Company. She is also a former member of the Glasgow Community Planning Partnership Strategic Board. Bernadette is a tenant of Wheatley Homes Glasgow and its former Chair.

Group Boards and Committees
Lowther Homes (Non-Executive Director)
City Building (Glasgow) LLP (Chair and Wheatley appointee)

Manish Joshi Non-Executive Director

Appointment 27 April 2022

Experienced in philanthropic and business sectors as well as experience in strategy, organisational design and governance and stakeholder management, Manish is Professor of Practice for Social Innovation at the University of Strathclyde and previously served as Chief Executive of the University's Student Union. Manish was appointed as a non-executive director of the Scottish Government in 2024.

With a BA (Hons) in Economics Manish was previously Chief Executive of Network Care and Director of Stakeholder Engagement at Global Call for Climate Action. Manish is currently a trustee of the Scottish Council for Voluntary Organisations (SCVO) and had served as an advisor to both COP26: Stop Climate Chaos Scotland and the European Climate Foundation: Movements Fund.

Group Boards and Committees
Wheatley Solutions (Non-Executive Director)
Lowther Homes (Non-Executive Director)

Alison McLaughlin Non-Executive Director

Appointment 28 September 2022

Alison has vast experience in senior leadership roles, leading teams through considerable change and business transformation. Throughout her career she has sought to maximise the opportunities presented by change, setting a clear vision and strategy, building and sustaining effective teams and delivering strong financial results.

Alison's success in leading digital transformation led to her being invited to join Scottish Government on a 2-year secondment under the First Minister Digital Fellowship Programme. During her time in government, she brought her commercial and delivery expertise to bear to establish sustainable and scalable digital services and platforms to underpin delivery of Scotland's Digital Strategy.

In 2015, Alison was elected to the board of ScotlandIS, the technology trade body, and was elected as Chair in 2020.

Group Boards and Committees
Wheatley Solutions (Non-Executive Director)
Group Audit Committee

Alastair Ian Murray Subsidiary Chair Director

Appointment 28 September 2022

Alastair is the Chair of Wheatley Homes East and previously served as the Chair of Barony Housing Association.

A chartered accountant, Alastair is the Finance Director of Listed Funds at Target Fund Manager, a specialist investment firm focusing on care homes. Prior to this he spent over 17 years in a range of corporate banking roles followed by 12 years in the Not for Profit sector. His roles included Structured Finance and Special Projects in the Bank of Scotland and Finance Director of the Edinburgh International Festival, Inspiring Scotland and George Heriot's School.

Group Boards and Committees
Wheatley Homes East (Chair)

John McCraw Co-optee

Appointment First appointed 27 September 2023.

John McCraw has been a tenant and Board member of Wheatley Homes South for many years and joined the Board on 27 September 2023. He has recently been Chair of Nithsdale District Management Committee and was a Board member of Wheatley Foundation.

John has the enthusiasm and passion to challenge any decisions that will affect tenants and is committed to ensuring Wheatley Group continues to deliver excellent services to our tenants and improves our communities.

Group Boards and Committees
Wheatley Homes South (Non-Executive Director)

Attendance at scheduled meetings

The Group Board is responsible for the strategic direction of the Group and financial planning.

Name	Group Board	Group Audit Committee	Group Remuneration, Appointments, Appraisal and Governance Committee
Jo Armstrong	8/8	-	6/6
Jo Boaden CBE	8/8	-	-
Lindsey Cartwright	7/8	-	-
Maureen Dowden	7/8	1/2	3/4
Bryan Duncan	8/8	-	6/6
Caroline Gardner CBE	8/8	4/4	6/6
Eric Gibson	8/8	-	-
Bernadette Hewitt	8/8	2/2	2/2
Manish Joshi	7/8	-	-
Alastair Murray	7/8	-	-
John McCraw	4/5	-	-
Alison McLaughlin	7/8	4/4	-

Key responsibilities are:

- approval of the Group strategy;
- approval of the Group Business Plan, budget and any variations and amendments to them, together with other matters which fall within the role of the Group Board;
- approval of the creation of new subsidiaries and partnerships;
- approval of the Group governance arrangements, systems of internal control and delegations and identification of risk;
- defining and ensuring compliance with our values and objectives as a registered social landlord; and
- approval of each year's Group financial statements.

The main activities and approvals of the Group Board during the year were:

- reviewed and renewed our strategy to 2026;
- approved £3.5m for the Here For You Fund for 2023/24;
- approved the Group Asset Management and Group Sustainability Strategy;
- approved five-year Group plans for investment and development;
- oversight of the findings from the review of the first full year of our Customer First Centre;
- oversight of our strategic review of Care;
- approved the Group business plan and budget, including comprehensive stress testing of the business plan; and
- oversight of partner financial and operational performance.

The Board is supported in discharging its duties by three sub-Committees: Remuneration, Appointments, Appraisal & Governance; Group Audit; and Group Strategic Development.

The role and remit of the Committees are set out below:

Group Audit Committee
The Committee is made up of up to seven Board members from the Group.

The Committee is responsible for:
- reviewing the Group's system of internal control, compliance assurance and risk management;
- providing an overview of the internal and external audit functions;
- scrutinising the financial statements;
- appointing and agreeing the remuneration of the external auditor;
- monitoring the implementation of internal audit recommendations;
- reviewing internal audit reports and external audit reports and management letters, and monitoring the implementation of audit recommendations arising therefrom;
- reviewing the internal audit plan and scope of work; and
- reviewing the effectiveness of the overall risk strategy.

The main activities of the Group Audit Committee during the year were:
- reviewed the Group Audit Committee self-assessment results 2023/24;
- oversight of the 2023/24 financial statements;
- reviewed key accounting judgements and estimates;
- reviewed the outcome of the Internal Audit Quality Assessment and the approach to an External Quality Assurance review;
- approved the Group's digital and technology assurance framework
- reviewed the Group's cyber security arrangements and associated planned future activities;
- reviewed the annual anti-fraud, bribery and corruption report;
- approved the rolling Internal Audit plan;
- reviewed the Group's strategic risk register and making recommendations to the Board on changes to risk profile and mitigations; and
- scrutinised the Group's fire safety arrangements, ongoing fire risk assessment programme and accidental dwelling fire incidents.

The Committee reports to the Group Board via its Chair.

Group Remuneration, Appointments, Appraisals and Governance Committee
The Committee is made up of up to five members inclusive of the Group Chair and the Chairs of Wheatley Homes Glasgow, the Group Audit Committee and Chair of the Wheatley Developments Scotland Limited.

It is responsible for:
- approving the process for recruitment, selection, succession planning and appraisal of Board members;
- ensuring Board members within the Group have the necessary balance of skills and experience to fulfil their roles;
- evaluating and review of Group's governance framework;
- making recommendations to the Group Board regarding the appointment and remuneration of the Group Chief Executive and Group Board Directors; and
- succession planning arrangements across the Group.

The main activities of the Remuneration, Appointments, Appraisals and Governance Committee during the year were:
- Agreed the Board member continuous professional development programme for 2024;
- Oversight of the Group's Board member recruitment and approval of all appointments to subsidiary Boards;
- Oversight of the People Services activities undertaken throughout the year;
- Reviewed the remuneration and conditions of the Group Chief Executive;
- Reviewed the Group Board member remuneration policy and recommended it for approval by the Group Board; and
- Reviewed the Group Board member Code of Conduct and Board member expenses policy and recommended their approval by the Group Board.

The Committee reports to the Group Board via its Chair.

Group Strategic Development Committee
The Committee is made up of up to seven members of the Group Board. It is responsible for reviewing any new major strategic projects and initiatives on behalf of the Group Board.

The Board did not refer any matters to the Committee during the year and no Committee meetings were held.

Executive Team

The Executive Team provides day to day leadership of the Group and are responsible for the implementation of the strategic direction and financial planning on behalf of the Board.

Steven Henderson
Group Chief Executive

Steven Henderson joined Wheatley Group as Director of Finance in 2013 from the European Investment Bank (EIB). He is a Chartered Member of the Chartered Institute of Housing and a Chartered Accountant. He is also a member of Business in the Community Scotland's Leadership Board and Chair of its Scotland Place Steering Group.

Steven has specialised in housing and regeneration throughout his career. At the EIB, the EU's non-profit development bank, he was responsible for investment of £250 million of European Union Structural Funds, as well as lending activity for the bank in the UK social housing, regeneration, climate change and sustainability sectors. Prior to that, he worked in advisory roles supporting the work of numerous housing providers and projects in the UK and internationally.

During his time at Wheatley, the Group has raised more than £1.2 billion of private and public finance, which has helped fund multi-million pound investment programmes in existing homes and one of the UK's most ambitious house-building programmes.

Under his leadership, Wheatley is also 'Making Homes and Lives Better' for customers across 19 local authority areas in Scotland through the work of the award-winning Wheatley Foundation and Wheatley Care.

Anthony Allison Group Director of Governance and Business Solutions

Anthony has worked with Wheatley Group since 2008 and has held senior leadership roles in governance, policy, strategy and regulatory engagement.

Prior to joining the Group he worked for the UK civil service in a variety of operational management roles. Anthony was appointed to the Executive Team in September 2022 and his remit covers a range of corporate services, including governance, strategy and performance, policy, IT and digital services, and procurement.

Anthony holds a BA in Business Studies as well as an MBA from the University of Glasgow.

Frank McCafferty Group Director of Repairs & Assets

Frank joined Wheatley Group in March 2022 from South Lanarkshire Council where he was Head of Property Services.

Frank, a qualified Chartered Surveyor, has more than 30 years' experience in the construction, property-management and asset-management industry across both the public and private sectors.

Frank is responsible for Wheatley Group's investment programme and the repairs service provided by in-house teams in the east and south and City Building Glasgow, jointly owned with the City Council and employing almost 2,500 employees, in the west.

Laura Pluck Group Director of Communities

Laura has more than 20 years' experience working in the social care sector in a range of operational and strategic roles.

She was previously Managing Director of Wheatley Care.

Laura has a BA Honours in Social Policy from Paisley University and holds a number of professional care qualifications. She has significant experience in leadership, performance and quality improvement, as well as regulatory compliance.

Pauline Turnock Group Director of Finance

Pauline has worked for Wheatley Group since 2009 in a number of senior financial roles prior to being appointed Group Director of Finance.

She has over 25 years' experience in strategic financial management, commercial management and financial planning gained across a range of sectors, including large private companies and a Scottish plc.

Pauline started her career with PwC where she qualified as a Chartered Accountant.

Hazel Young Group Director of Housing and Property Management (Retired 31 May 2024)

Having more than 25 years of experience in the housing sector, Hazel has worked in several senior management roles within Wheatley Group since 2008, including Managing Director of Dunedin Canmore, WLHP and Loretto Housing, Director of Policy and Service Development at Wheatley and South Area Housing Director at Glasgow Housing Association.

Hazel has a Political Economy and Philosophy degree from the University of Glasgow and an MSc in Housing from the London School of Economics.

Alan Glasgow Group Managing Director of RSLs (Appointed 1 April 2024)

Alan is a highly experienced housing leader having spent more than 30 years in the housing sector, having started his career at Glasgow City Council.

He was previously the Managing Director of Wheatley Homes South and prior to that held senior leadership positions at Wheatley's social landlords in the West and East.

Alan is at the forefront of delivering housing and support services to tenants living in Wheatley Homes Glasgow, Wheatley Homes South, Wheatley Homes East and Loretto Housing communities. He also has responsibilities for Wheatley's Neighbourhood Environmental Team services.

Statement on Internal Financial Controls

1. Corporate Governance Statement
The Group complies with the Regulatory Standards of Governance and Financial Management issued by the Scottish Housing Regulator. In accordance with the UK Listing Authority's Listing Rule 17, details of the administrative, management and supervisory bodies which govern the Group, including Wheatley Group Capital plc, are set out on pages 42 to 54.

The internal control and risk management systems which cover the Group's consolidated annual financial statements are set out below.

2. Background and responsibility
The system of internal financial controls is designed to manage risk to a reasonable level agreed by the Board (which is managed to within agreed levels of risk appetite) rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is designed to:
- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised;
- manage them efficiently, effectively and economically;
- safeguard assets against unauthorised use or disposition; and
- manage the maintenance of proper accounting records.

3. Overview of main features of the system of Internal Financial Control
The Board of Wheatley Housing Group is responsible for ensuring that an effective system of internal financial control is maintained within all members of the Group. This system of internal financial control can provide reasonable but not absolute assurance against material misstatement or loss.

The key methods by which the Board establishes the framework for providing effective internal financial control are as follows:
- Corporate Governance arrangements as outlined in the Corporate Governance Statement;
- regular meetings of the Board, and Subsidiary Boards, which have a schedule of matters that are specifically reserved for approval and are the subject of regular standard reports as required;
- arrangements under terms of reference for the Group Audit Committee to meet regularly and receive reports from management and internal and external auditors on the system of internal control in operation across the Group, and to oversee arrangements for provision of reasonable assurance that control procedures are in place and are being followed.
- written policies and procedures including Standing Orders setting out delegated authorities across Group Subsidiaries;
- an organisational structure to support business processes and with clear lines of responsibility;
- the employment of suitably qualified and experienced staff to take responsibility for key areas of the business. This is supported by a formal personal development programme;
- an Internal Audit function with an Audit Plan which produces an annual Internal Audit Report and Opinion;
- adoption of a risk-based approach to internal control through evaluating the likelihood and impact of identified corporate risks, vesting responsibility for risk management and internal control with designated owners and with an ongoing process of monitoring and reporting progress against the company's key risks established through the corporate risk management framework;
- a Business Plan and Budget supporting strategic and operational plans, financial targets, regularly revised forecasts, a comparison of actual with budget and with forecast on a quarterly basis, operating cash flow and variance statements, and key performance indicators, all of which are reviewed by the Board; and
- measurement of financial and other performance against the Delivery Plan objectives and key performance indicators and targets.

4. Role of Internal Audit

The Group Audit Committee oversees the Internal Audit function which has a pivotal role in assessing the Group's internal financial controls. Internal Audit reviews are directed by the Group Audit Committee using a risk-based approach to assess the robustness of the implementation of the Group's key systems of governance, risk management and internal control.

Internal Audit assesses the adequacy and effectiveness of the controls in place within the risk management, governance and internal control processes the Group has adopted, and makes recommendations where improvement opportunities are identified. Management across the Group is responsible for the implementation of agreed improvement actions identified from Internal Audit activity.

In line with good practice, Internal Audit provides the Group Audit Committee and the Board with an Annual Internal Audit Opinion which summarises all the work completed during the year. The overall Internal Audit opinion provided in the 2023/24 statement is detailed below:

"Based on our Group-wide work undertaken in 2023/24 a substantial level of assurance can be given that there are sound governance, risk management and control processes in place, designed to support achievement of relevant organisational objectives. However, some weaknesses in the design or consistent application of controls remain. In particular, the CBG Partnership Oversight Board established by the Wheatley Group and Glasgow City Council Chief Executives continues to oversee work to improve governance and compliance controls within City Building Glasgow. Management has agreed to the improvements to the Group wide control environment arising from our annual work and the progress of implementing these additional controls will be reported to the Group Audit Committee."

5. Risk and Control Framework

Wheatley Housing Group recognises the importance of effective identification, evaluation and management of all key strategic and operational risks. The Scottish Housing Regulator's Regulatory Standards include the following requirement.

"The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose."

Risk management is a key element of the Group's overarching governance arrangements as it demonstrates that the Group has considered those areas which put the achievement of its strategic objectives under threat, that it has analysed the consequences of things going wrong and identified the actions and controls needed to prevent or limit these consequences; in accordance with agreed levels of risk appetite.

As the parent company, Wheatley Housing Group oversees the governance arrangements to address the risks associated with control of activities, and managing the risks, of all subsidiaries; to ensure that there is an appropriate use of funds across the Group; to ensure that risks to the core business of the Group are managed and mitigated to within risk appetite and that strong governance arrangements are upheld by all subsidiaries to protect the reputation of the Group.

Risk management within the Group is designed to identify and mitigate risks to the achievement of the Group's Strategic Plans. Risks in relation to delivery of strategic outcomes are captured at a strategic Group level, Subsidiary Board level and at a local management team level, with an established escalation method in place.

Roles and Responsibilities

Risk Management is the responsibility of everyone in the organisation, whether or not they have a formally defined role in the process. To ensure the successful implementation of the Risk Management Policy, clear roles and responsibilities for the Risk Management process have been established. The Board has overall responsibility for ensuring the effectiveness of this framework. The Board also agrees risk appetite levels that are embedded within the Group's risk profile and used to determine the Group's approach to managing risk.

The Executive Team facilitates the Risk Management processes. Its role is to ensure compliance with the Risk Management Policy, including monitoring of the Group's risk profile to ensure it is kept up to date, new and emerging risks are identified, and risk scores are challenged.

Risk Management forms an integral part of the culture and the way the Group is run. Risk Management is incorporated and embedded into business plans across the organisation (e.g. service improvement plans, project plans, team plans, individual plans). In this way, Risk Management is not the responsibility of senior management alone, but more appropriately the responsibility of all colleagues.

Principal risks facing the Group

The most significant financial and operational risks facing the Group and key mitigations are summarised below:

Risk	Mitigation
Delayed recovery from a cyber attack	• Cyber response plans integrate business response planning and are regularly tested • Business continuity plans integrate disaster recovery and cyber response plans and activities • Disaster recovery activities are clearly documented and plans across core services are invoked annually • Disaster recovery tasks completed include post-implementation reviews and lessons learned • Biannual cyber security update reported to the Group Audit Committee
Disruption following a cyber attack on a key system provider	• Procurement procedures require potential suppliers to confirm compliance with the Group's security requirements • Group IT maintain a business owner SAAS register with prioritised services identified through cyber risks and privacy risks • Business owners are required to review supplier contract performance, including annual review of Vendor Security Assessments and Data Privacy Impact Assessments • Contracts include data breach notification processes • Biannual cyber security update reported to the Group Audit Committee
Availability of financial support from Scottish Government and / or local government	• Regular engagement with Scottish Government representatives to proactively present the case for housing investment directly and through our representative bodies • Participating in the Scottish Government review of grant availability • Green Investment Plan developed for discussion with Scottish Government. Pathway to Net Zero Group draws on independent expertise to support evolution of plans in this area • Financial planning sensitivities undertaken to understand the potential impact under a variety of grant scenarios
Achievement of Scottish Government legislative requirements for energy efficiency	• Group's Business Plan incorporates external regulations and environment • Group Asset Management Strategy and Subsidiary Asset Management Strategy workshops agree investment approach and priorities which inform future investment plans • Flexible approach to the rent consultation informed through our Stronger Voices group so that customers can inform plans • Group Board approves the Business Plan, including key assumptions
Climate change impact on Group assets and services	• Strategic objective to reduce emissions from corporate activities • Business continuity plans include responses to severe weather scenarios • Group works with national representative bodies to climate change impacts across Group's geographical locations • Asset Management Strategy ensures future investment will maintain and improves condition of our assets to mitigate any climate change related risks
Compliance with laws and regulations	• Group wide Scottish Housing Charter Assurance process established by Tenant Scrutiny Panel to review outcomes. Similar process introduced for non-vs • FCA regulations considered when developing new products and services • Qualified personnel are employed by the Group to ensure compliance with legal and regulatory standards. Legislative compliance maps are in place documenting key legislative requirements and the detective controls to confirm ongoing compliance • New product offerings follow a clear approval process • Group-wide approach to information management with Privacy Impact Statements implemented across the Group • On-going relationship with Scottish Housing Regulator • Appropriate professional advice is sought in response to changes internally, externally and in relation to new offerings to customers • Changes to legislation are identified and implemented by responsible officers

Principal risks facing the Group (continued)

Risk	Mitigation
Impact of the cost of living crisis on our customers	• New rent and income framework implemented with an emphasis on support for our customers • Group wraparound services tailored for the needs of our customers • Group universal credit team analysis of impact of pressures on customers • Here For You Fund launched to provide support rent, fuel and food support for our customers
Fire Event out with the Group's control	• Fire Prevention and Mitigation Framework in place including our approach to high rise block inspections and Livingwell properties • Fire Risk Assessments completed on a rolling cycle including person centred Home Fire Safety Visits • Reporting of implementation of actions to Group Audit Committee • Daily, weekly and monthly inspections of high-rise domestic premises maintained by environmental teams in between Fire Risk Assessments • Compliance and investment programmes in place to meet building safety regulations and best practice guidance • Community Improvement Partnership focussed on fire prevention and education • Fire Working Group reporting to Executive Team Lead reviews actions and emerging issues • Compliance Steering Group monitors and reviews compliance events that could contribute to risk of fire
Compliance with funders' requirements	• Regular meetings with funders and investors representatives to update on financial status of the Group • Financial performance monitored monthly and reported to Group and Subsidiary Boards • Quarterly covenant compliance monitored by the Group Board • Covenant compliance monitoring tool implemented noting key dates and requirements • Ongoing dialogue with credit rating agencies • Annual update and review by respective Boards of Group and Subsidiary business plans • Establishment of financial policy context Golden Rules
New funding sources and adverse market changes	• Strong levels of headroom maintained to provide sufficient cash resources with compliance reported to Group Board • Liquidity Golden Rule in place • Diversification of funding sources to provide options for future funding • Sterling borrowing only, no foreign currency exposure • Group IRR reviewed regularly to ensure projects are profitable • Annual ESG reporting in place • Sustainability Financing Framework in place • Treasury Management Policy agreed by Group Board
Political and policy changes	• Established stakeholder management framework • Relevant staff members focussed on responding to changes in policy and administration as they arise with ongoing engagement with senior officials and policy leads within the Scottish Government and key local Authority partners. We are also part of national policy working groups • Group does not build homes for sale mitigating potential property market risk
Repairs supply chain disruption	• Utilisation of Group and 3rd party frameworks to minimise price increase risk • Procurement system and procedures include assessment of suppliers' financial health • Engagement with key suppliers and stock levels managed including, where possible, advance purchase of components and material • Specific contingency plans for key services • Identified lead for Repairs monitors supply chain materials contract • In the event of supplier insolvency, procurement frameworks / approved supplier listings would be used to identify alternative suppliers

Principal risks facing the Group (continued)

Risk	Mitigation
Staff behaviour enables a cyber attack	• Mandatory, annual training for all staff provided by specialist training providers • SIEM technical logging approaches include behavioural analysis metrics • Cyber behavioural metrics reviewed to inform training and communications • IT cyber security live tests undertaken and results report to the Group Board • Routine testing of the external environment provided by the Group's security consultants
Performance of main delivery partner	• Partners prepare rolling 5-year business plans informed by workload information provided by both Members • The investment plans are routinely monitored in respect of delivery and reports are considered monthly on the delivery status of the annual programme • Performance service delivery is routinely monitored between operational delivery and management teams with staff co-located to ensure that this is achieved • Service levels and efficiency are measured against agreed targets
Business continuity/ disaster recovery	• Business Continuity Plans are in place across all business areas with the Business Continuity Steering Group overseeing the collating, reviewing and designing of the Group's Business Continuity Plans • Business Continuity Framework and Business Continuity Policy are embedded across the Group and in all business areas • Business Continuity Implementation Group collates, reviews and updates Group disaster recovery and Business Continuity Plans • Regular testing and exercising of the Business Continuity Plans • Developed Business Continuity Teams Channel where, regular updates, events and incidents on business continuity planning are communicated to all Business Continuity Co-ordinators • Winter Readiness Plans have been developed to ensure there is a collaborative approach to business interruption across this period where we may experience more adverse weather • Crisis Management Plan remains in place and is reviewed prior to the festive period every year in line with our Winter Readiness Plans
Rent arrears management	• Updated rent and income framework implemented • Ongoing campaigns and programmes of contact with customers affected by financial hardship • Dedicated Universal Credit team • Use of GoMobile for staff to assist customers with online transactions • Working with partners to influence UK and Scottish policy and funding environment • Small housing patch sizes allow staff to work proactively with customers to avoid arrears • Accessible online service portal • Support available from Wheatley 360 welfare benefits advisors • Group business plan contains sufficient headroom to mitigate the financial impact in relation to risk of increased bad debts and rent arrears • Arrears levels reviewed by Boards at each meeting
New Build contractor non compliance with Building Standards	• Clerk of Works monitoring quality of construction • Employer's Agent employed to manage projects • Proactive contract management and regular contractor engagement • Suppliers selected from procurement framework
Customer Satisfaction	• Key element of the Group 2021-26 strategy • Variety of methods used to collect customer feedback which is used to inform plans drawn up to include customer views • Establishment of our Stronger Voices initiative to allow tenants to shape our services • Recognition of satisfaction drivers for different customer groups • Small housing officer patch sizes to help personalise services under the Think Yes Together approach • Customer First Centre's first time resolutions for services • Repairs transformation programme included creation of Repairs Team and Book It, Track It, Rate It service

Principal risks facing the Group (continued)

Risk	Mitigation
Compliance with Fire Safety Standards	• Group Fire Safety Team focused on identification of fire prevention actions • Fire Working Group reports into Executive Team Lead • Bi-annual reporting of implementation actions to Group Audit Committee • Fire Prevention and Mitigation Framework in place including our approach to high rise block inspections and Livingwell properties • Daily, weekly and monthly inspections of high-rise domestic premises maintained by environmental teams in between Fire Risk Assessments • Compliance and investment programmes in place to meet building safety regulations and best practice guidance
Damp and Mould	• Group damp and mould policy in plan supported by detailed procedures • Agreed timescales for rectification work when damp and mould is reported and follow up post completion • Additional staff experienced in mould and damp recruited, arrangements also in place for specialist external support to this service • Trade staff trained on the management of condensation within the home. All frontline staff trained on identification and accurate diagnosis of damp and mould issues • Annual visits to all properties as part of a technical compliance programme • No Access Policy updated to address rectification of damp and mould where access is refused
Care and support services	• Clear governance and authorising environment approved and in place and monitored at Board level and Care Quality Framework approved by Board and implemented • Care assurance framework in place to monitor compliance with policies and procedures and follow-up from Care Inspectorate visits • Close monitoring of changeover in service users and focus on redeployment of resources and improvements to help retention of users • Protecting People Policy Framework in place • Mandatory service specific training in place to identify additional support needs • Care Business Continuity Plans and local Service Contingency Plans in place
Group Credit Rating	• Group's business plan based on maintaining a strong standalone credit rating • Financial plans drawn up to maintain strong levels of liquidity to mitigate refinance risk • Ongoing dialogue maintained with credit rating agencies to avoid unexpected rating changes • Mitigation drafting used in legal clauses avoiding cross default and negotiation period on mitigation measures included in legal clauses • Maintenance of strong relationships with alternative funders
Senior staff recruitment	• HR policies on recruitment and selection • Leadership Development Programme to attract new talent to the Group • Use of specialist recruitment agencies and targeted advertising to attract skilled staff • Benchmarking of salaries/benefits offered to ensure these remain sector leading/ competitive
Staff development and succession planning	• Career Pathways provide opportunities to develop and expand on knowledge and experience • MyAppraisal process for all staff and integrated with MyAcademy • Leadership Development Programme, succession planning and talent management programme and specific programmes to support the succession of Executive and senior leadership roles • IGNITE graduate training programme and Bursary Programme

Principal risks facing the Group (continued)

Risk	Mitigation
Governance structure	• Governance arrangements regularly reviewed by Scottish Housing Regulator, external consultants, internal and external audit functions • Agreement of the Group authorising environment • Board induction and appropriate training initiatives in place, tailored in particular to tenant Board members • Formal succession planning in place for Board members
Failure to achieve planned growth in non charitable operations	• Robust monitoring arrangements in place to appraise the operational performance and delivery of strategic objectives • Responsibility and accountability allocated at an appropriate level within the organisation and reported regularly to senior management and Board

Other matters:

Board's Statement on Section 172 of the Companies Act 2006

The Directors act in a way they consider, in good faith, would be most likely to promote the success of the Company and the Group for the benefit of its members as a whole. Key decisions and matters of strategic importance are considered and informed by the requirements of section 172. The Strategic Report on pages 12 to 41 sets out how we delivered activity on behalf of our stakeholders in line with our Group strategy during the year.

The Group exists for the benefit of its key stakeholders – the customers we serve in our RSL subsidiaries and the People We Work For in our care businesses. The interests of our stakeholders are understood through an open and transparent dialogue conducted through many varied channels, such as:

- feedback obtained through multiple channels including tenant satisfaction surveys;
- our tenant engagement framework "Stronger Voices" where over 1,000 customers took part in providing their views on the development of our services;
- tenants are represented on all RSL Boards. Across the Group 36% of our Board members are tenants or service users;
- the use of tenant focus groups to inform rent proposals and formal consultation with all tenants on rent increase proposals;
- social media and online engagement;
- annual visits to all customers by Housing Officers;
- publication of regular tenant newsletters and annual report to tenants; and
- the establishment of the Tenant Scrutiny Panel to review performance of the organisation under the Scottish Housing Charter.

The Group's employees are key to delivering the objectives of the organisation, represent the business externally and maintain the reputation of the Group with our stakeholders. The Group operates a policy of providing employees with information about the Group through formal recognition of a number of trade unions as well as internal media methods in which employees have also been encouraged to present their suggestions and views on the Group's performance. Employees are encouraged to participate in regular discussions with their line managers as part of the Group's commitment to ensuring all staff are aware of their role in the Group's achievement of its five strategic platforms under the banner of "My Contribution". Regular meetings are also held between management and employees to allow a free flow of information and ideas.

In setting the strategy and through the preparation of the 30-year business plan, the Directors consider the likely consequences of decisions in the long term and ensure that the business continues to be financially viable and is able to meet all current and future financial commitments to its lenders.

The impact the Group has on its neighbourhood and the environment is a key element in the Group's purpose. More details of the Group's aims are set out in the Group's Statement on Environmental, Social and Governance.

Employees

Details of the Group's approach to employee engagement are provided in the section 172 statement above. With our new operating model embedded, where appropriate, many employees now work through a hybrid working model, using our new Centres of Excellence as places to meet colleagues and share ideas. Technology solutions and remote working tools support the hybrid model giving employees flexibility and other benefits whilst creating opportunities for collaborative working in our new Centres of Excellence.

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by disabled persons.

Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Going concern
After making enquiries, including the update of the Group 30-year financial projections, the Group Board has a reasonable expectation that the Wheatley Housing Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of the Group's financial statements. More details of the Board's assessment of going concern are included in note 2 to the financial statements.

Disclosure of information to auditor
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor
A resolution to re-appoint KPMG LLP as auditor will be proposed at the forthcoming annual general meeting.

Future Developments
The Strategic Report sets out future strategic objectives. The Group's five-year strategy Your Home, Your Community, Your Future was launched in 2021.

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the surplus or deficit for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group and parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006, Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements Order 2024. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and parent company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Jo Armstrong, Chair
28 August 2024

Independent auditor's report to the members of Wheatley Housing Group Limited

Opinion
We have audited the financial statements of Wheatley Housing Group Limited ("the company") for the year ended 31 March 2024 which comprise the Group Statement of Comprehensive Income, Company Statement of Comprehensive Income, Group Statement of Changes in Reserves, Company Statement of Changes in Reserves, Group Statement of Financial Position, Company Statement of Financial Position, Group Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's surplus and the result of the parent company for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2024.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease its operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:
- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect
Identifying and responding to risks of material misstatement due to fraud
- To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:
- Enquiring of board members and management as to the company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual suspected or alleged fraud; and
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to indications of fraud throughout the audit.

As required by auditing standards, taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that the entity management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to income recognition because of the limited opportunity and incentive for fraudulent revenue recognition and the limited judgement in respect of revenue recognition.

We did not identify any additional fraud risks. In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the company wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These include those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias including assessing the assumptions used in pension and property valuations.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the board and other management (as required by auditing standards) and discussed with the board and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulation throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and registered social landlord legislation, we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance allow could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatements. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information
The directors are responsible for the other information, which comprises the Directors' report and the Statement on Internal Financial Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:
- we have identified material misstatements in the other information;
- in our opinion the information given in the Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports has been prepared in accordance with the Companies Act 2006.

We have nothing to report in these respects.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

Directors' responsibilities
As explained more fully in their statement set out on page 65, the Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the company'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 they either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and section 69 of the Housing (Scotland) Act 2010. Our audit work has been undertaken so that we might state to the company's members 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 company, its members as a body and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.

Michael Wilkie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street,
Glasgow, G2 5AS

24 September 2024

Group Statement of Comprehensive Income
For the year ended 31 March 2024

	Notes	2024 £000	2023 £000
Turnover	3	412,577	423,606
Operating expenditure	3	(348,277)	(335,550)
Other gains / (losses)	9	9,872	(8,671)
Operating surplus		74,172	79,385
Share of profit in joint venture		-	-
Gain on disposal of fixed assets	10	926	275
Finance income	11	861	1,806
Finance charges	12	(72,282)	(65,762)
Movement in fair value of financial instruments	13	3,689	760
Surplus on ordinary activities before taxation		7,366	16,464
Taxation	14	(2,762)	(26)
Surplus for the financial year		4,604	16,438
Unrealised surplus on the valuation of housing properties		238,430	42,794
Unrealised deficit on the valuation of other fixed assets		(1,300)	(3,897)
Actuarial loss in respect of pension schemes		(5,701)	(50,796)
Total comprehensive income for the year		236,033	4,539

All amounts relate to continuing operations.
The notes on pages 74 to 110 form part of these financial statements

Company Statement of Comprehensive Income
For the year ended 31 March 2024

	Notes	2024 £000	2023 £000
Turnover	3	245	254
Operating expenditure	3	(245)	(254)
Operating surplus		-	-
Finance income		-	-
Finance charges		-	-
Surplus on ordinary activities before taxation		-	-
Taxation		-	-
Surplus for the financial year		-	-
Total comprehensive income for the year		-	-

All amounts relate to continuing operations.
The notes on pages 74 to 110 form part of these financial statements.

Group Statement of Changes in Reserves

For the year ended 31 March 2024

	Revenue Reserve £000	Revaluation Reserve £000	Total Reserves £000
Balance at 1 April 2022	755,751	477,342	1,233,093
Total comprehensive income for the year	4,539	-	4,539
Transfer of reserves for the revaluation of housing properties	(42,794)	42,794	-
Transfer of reserves for the revaluation of other fixed assets	3,897	(3,897)	-
Balance at 31 March 2023	721,393	516,239	1,237,632
Total comprehensive income for the year	236,033	-	236,033
Transfer of reserves for the revaluation of housing properties	(238,430)	238,430	-
Transfer of reserves for the revaluation of other fixed assets	1,300	(1,300)	-
Balance at 31 March 2024	720,296	753,369	1,473,665

Company Statement of Changes in Reserves

For the year ended 31 March 2024

	Total Reserves £000
Balance at 1 April 2022	-
Result for the financial year	-
Balance at 31 March 2023	-
Result for the financial year	-
Balance at 31 March 2024	-

The notes on pages 74 to 110 form part of these financial statements.

Group Statement of Financial position at 31 March 2024

	Notes	2024 £000	2023 £000
Fixed assets			
Social housing properties	17	2,935,892	2,599,863
Other tangible fixed assets	18	78,829	71,551
Investment property	19	309,971	273,969
Investment in joint venture	19	116	116
		3,324,808	2,945,499
Pension asset	26	-	2,505
Current assets			
Stock	20	1,926	1,713
Trade and other debtors	21	49,543	45,227
Cash and cash equivalents		36,305	39,656
		87,774	86,596
Creditors: amounts falling due within one year	22	(212,407)	(153,880)
Net current liabilities		(124,633)	(67,284)
Total assets less current liabilities		3,200,175	2,880,720
Creditors: amounts falling due after more than one year	23	(1,706,426)	(1,631,103)
		1,493,749	1,249,617
Provisions for liabilities			
Pension liability	26	(8,405)	(3,247)
Provision for other liabilities	24	(11,679)	(8,738)
Total net assets		1,473,665	1,237,632
Reserves			
Share capital	25	-	-
Revenue reserve		720,296	721,393
Revaluation reserve		753,369	516,239
Total reserves		1,473,665	1,237,632

These financial statements on pages 68 to 110 were approved by the Board on 28 August 2024 and were signed on its behalf by:

Jo Armstrong
Chair

The notes on pages 74 to 110 form part of these financial statements.
Company registration number SC426094.

Company Statement of Financial position at 31 March 2024

	Notes	2024 £000	2023 £000
Trade and other debtors		-	-
Cash and cash equivalents		-	-
		-	-
Creditors: amounts falling due within one year		-	-
Net current assets		-	-
Total assets less current liabilities		-	-
Total net assets		-	-
Reserves			
Share capital	25	-	-
Total reserves		-	-

These financial statements were approved by the Board on 28 August 2024 and were signed on its behalf by:

Jo Armstrong
Chair

The notes on pages 74 to 110 form part of these financial statements.
Company registration number SC426094.

Group Statement of Cash Flows for the year ended 31 March 2024

	Notes	2024 £000	2023 £000
Net cash generated from operating activities	28	160,932	144,920
Cash flow from investing activities			
Improvement of properties		(76,769)	(76,736)
Acquisition of properties		(1,094)	-
Construction of new properties		(141,259)	(95,488)
Purchase of other fixed assets		(18,873)	(22,149)
Proceeds from sale of properties	10	2,523	1,675
Grants received	23	77,221	56,438
Finance income	11	765	363
		(157,486)	(135,897)
Cash flow from financing activities			
Finance charges		(69,830)	(66,140)
Bank loan drawn down		115,000	60,000
Repayments of bank loans		(51,775)	(25,440)
Taxation		(192)	-
		(6,797)	(31,580)
Net change in cash and cash equivalents		(3,351)	(22,557)
Cash and cash equivalents at 1 April		39,656	62,213
Cash and cash equivalents at 31 March		36,305	39,656
Cash and cash equivalents at 31 March			
Cash		36,305	39,656

The notes on pages 74 to 110 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. Legal status

Wheatley Housing Group Limited ("Wheatley", "Wheatley Group" or "the Company") is a limited company incorporated in Scotland under the Companies Act 2006. It is a housing association registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010.

The Company and its subsidiaries are referred to as "the Group". The Group's subsidiaries include housing associations, incorporated entities and charities. The principal activity of the Group is the provision of social housing and associated housing management services. The registered office is Wheatley House, 25 Cochrane Street, Glasgow G1 1HL.

2. Accounting policies

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

Basis of accounting

The financial statements of the Group and the Company are prepared in accordance with the Companies Act 2006, applicable accounting standards, the accounting requirements included within the Determination of Accounting Requirements 2024, and under the historical cost accounting basis, modified to include the revaluation of derivative financial investments, properties held for letting, office properties, investment properties and commercial properties. The financial statements have also been prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2014 ("SORP 2014"), issued by the National Housing Federation and under FRS 102.

As noted in the Directors' report on page 63, the financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons.

The Group prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in February 2024 by the Board. As well as considering the impact of a number of scenarios on the business plan, the Board also adopted a stress testing framework against the base plan recognising that 2023/24 has been a year where challenging economic conditions prevailed including sustained high inflation rates. These updated scenarios include severe but plausible downsides. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the Group budgets for 2024/25 and the Group's financial position as forecast in the 30-year business plan is of the opinion that, taking account of severe but plausible downsides, the Group has adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). In reaching this conclusion, the Board has considered the following factors:

- Rent and service charge receivable – arrears and bad debt assumptions have been set at an appropriate level to allow for customer difficulties in making payments; budget and business plan scenarios have been updated to take account of potential future changes in rent increases;
- Development activity – budget and business plan scenarios have taken account of fluctuating labour costs, project delays, supply chain instability and availability of grant funding would could impact the new build programme;
- Maintenance costs – budget and business plan scenarios have been modelled to take account of a revised profile of repairs and maintenance expenditure including the effect of inflation and increased demand;
- Investment in existing homes– forecast expenditure has been remodelled to take account of higher levels of investment spend;
- Liquidity – current available cash of £36.3m and unutilised loan facilities of £234.8m which gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period; and
- The Group and Association's ability to withstand other adverse scenarios such as higher interest rates and inflation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

The Board believes the Group has sufficient funding in place and expects the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Board is confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The Wheatley Housing Group Limited is a public benefit entity.

Accounting judgements and estimations
Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts where required or appropriate and other factors.

Judgements have been made in:
- determining the appropriate discount rates used in the valuation of housing and investment properties;
- component accounting and the assessment of useful lives;
- the assessment of the fair value of financial instruments;
- determining the value of the Group's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds; and
- allocation of share of assets and liabilities for multi-employer pension schemes. Judgments in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi-employer pension schemes and estimations performed by the Group's actuarial advisers.

Basis of consolidation
The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 March 2024. Profits or losses on intra-group transactions are eliminated in full in accordance with FRS 102.

New subsidiaries joining the Group are accounted for under section 19.6 of FRS 102, as combinations that are in substance a gift. Any gain on acquisition is recognised through the Statement of Comprehensive Income as a gain on business combination. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. On joining the Group, an exercise is undertaken to align subsidiary accounting policies to the Group policies which may result in a restatement of comparative figures in the subsidiary results prior to consolidation.

Joint Venture
Wheatley Housing Group is a 50:50 joint owner in City Building (Glasgow) LLP ("CBG"). The investment in the joint venture is accounted for using the equity method as outlined in FRS 102 Section 15. The investment is recognised in the Statement of Financial Position at cost less any impairment. The Group's share of profits or losses of the joint venture are recognised in the Statement of Comprehensive Income and the initial investment is subsequently adjusted to reflect the Group's share. Where the Group's share of losses equals or exceeds the carrying amount of the investment, the share of these losses are recognised as a provision to the extent that the Group has legal or constructive obligations or has made payment on behalf of the joint venture. The investment in the joint venture is recorded in the investing entity's stand-alone financial statements at cost less impairment.

Related party disclosures
The Company has taken advantage of the exemption, available under FRS 102, from disclosing related party transactions with wholly owned entities that are part of the Wheatley Housing Group.

Turnover
Turnover, which is stated net of value added tax, represents income receivable from lettings and service charges, fees receivable, grants and other income. In respect of the Group Statement of Comprehensive Income, turnover also includes factoring, care contracts and income from market and commercial rental activities.

Income from social lettings, service charges, factoring, market and commercial rental activities is recognised when it is receivable. Grant income is recognised when any associated performance conditions have been met and care contract income is recognised when services are delivered to customers as required under the agreement with each service commissioner.

Grant income

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where grant is received from government and other bodies as a contribution towards the capital cost of housing schemes, it is recognised as income using the performance model in accordance with the SORP 2014. Prior to satisfying the performance conditions (e.g. on completion of new-build properties), such grants are held as deferred income on the Statement of Financial Position.

Bad and doubtful debts

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable. Debts are classed as uncollectable after an assessment of the legislative options available to recover and consideration of specific circumstances.

Supported housing

Expenditure on housing accommodation and supported housing is allocated on the basis of the number of units for each type of accommodation, except for staffing and running costs for which the level of expenditure is directly attributable.

Financial instruments

<u>Financial assets</u>

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

<u>Financial liabilities</u>

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies, bond finance and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Housing loans are classed as either basic or complex financial instruments under FRS 102. Loans are provided to RSL subsidiary members of the Group by its lenders through Wheatley Funding No. 1 Limited ("WFL1"). Loans are provided to commercial subsidiaries of the Group by Wheatley Funding No. 2 Limited ("WFL2"). All arrangements are classed as basic under the requirements of FRS 102, and are measured at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Any movement in the value of financial instruments recognised in the Statement of Comprehensive Income relates to any in-year adjustments for changes in the value of payment arrangement in place with customers, and the Scottish Government loan.

Deposits and liquid resources
Cash comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying values.

Pensions
Wheatley Homes Glasgow participates in a defined benefit pension scheme arrangement with the Strathclyde Pension Fund ("SPF"). The Strathclyde Pension Fund is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended.

The SPF ("the Fund") provides benefits based on pensionable pay, which is contracted out of the State Second Pension. Assets and liabilities of the Funds are held separately from those of the participating entities.

Wheatley Homes Glasgow accounts for participation in the Fund in accordance with FRS 102 which requires disclosures presented for both the current and comparative period. FRS 102 also requires that quoted securities are valued at their current bid-price rather than their mid-market value.

The defined benefit fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The respective share of WH Glasgow in the SPF pension fund surplus (to the extent that it is recoverable) or deficit are recognised in full. The movement in the Fund's surplus or deficit is split between operating charges, finance items and in the Statement of Comprehensive Income under actuarial gain or loss on pension schemes.

Loretto, Wheatley Care and Wheatley Homes East previously participated in the Pensions Trust Scottish Housing Association Pension Scheme ("SHAPS") Defined Benefit Pension Scheme. Loretto members transferred to the SHAPS Defined Contribution Scheme on 1 July 2013 with Wheatley Homes East members transferring on 1 April 2014 and 1 September 2014 with the respective sections of the SHAPs defined benefit scheme operated by those Group subsidiaries closed from the dates noted.

Retirement benefits related to employees in SHAPs defined benefit pension scheme are funded by contributions from all participating employers and employees in the Scheme.
In respect of the defined benefit element of the scheme, payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole. In accordance with FRS 102, the Group's share of the scheme assets and liabilities has been separately identified and included in the Group's Statement of Financial Position and measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The Group's share of the deficit is recognised in full and the movement is split between operating costs, finance items and in the Statement of Comprehensive Income

as actuarial gain or loss on pension schemes.

A Group defined contribution scheme arrangement administered by the Cushon Master Trust is available to employees in certain subsidiaries of the Group. Wheatley Homes East operates a separate defined contribution scheme administered by Aviva.

Fixed assets – social housing properties
In accordance with SORP 2014, the Group operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

• **Valuation of social housing stock**
All social housing properties owned by the Group's subsidiaries are valued annually on an Existing Use Value for Social Housing ("EUV-SH") basis by an independent professional advisor qualified by the Royal Institution of Chartered Surveyors to undertake valuation. Housing stock has been split into two streams of property for valuation purposes, namely housing retained for letting and demolition programme properties. This separation into categories is on the basis of the Group's 30-year Business Plan which identifies the core stock which will be the subject of the Group's investment expenditure going forward and the stock which forms part of the demolition programme, and consequently has limited investment expenditure attached to it. The cost of properties is their purchase price together with the cost of capitalised improvement works that result in incremental future benefits to the landlord from the asset. Included in the cost of capitalised improvement works are the direct costs of staff engaged in the investment programme.

Increases in the valuation of social housing properties are reported as other comprehensive income, accumulated in equity and reported as a revaluation reserve. Revaluation decreases reduce the accumulated gains and thereafter are recognised in profit or loss. Subsequent valuation gains are recognised in profit or loss to the extent they reverse a valuation decrease previously recognised in profit or loss.

On disposal, the value of the property is offset against the proceeds of sale and the gain or loss on disposal is taken to the Statement of Comprehensive Income.

• **Depreciation and impairment**
Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional advice, the Group's asset management strategy and the requirement of the Scottish Housing Quality Standard. In determining the remaining useful lives for the housing stock, the Group has taken account of views provided by both internal and external professional sources. Freehold land is not subject to depreciation.

Major components are treated as separate assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following rates:

Housing assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion.

Where there is evidence of impairment, the fixed assets are written down to the fair value after deducting costs to sell, and any write down is charged to operating surplus.

	Economic life
Land	not depreciated
Bathrooms	25 yrs
External environment	20 yrs
External wall finishes	35 yrs
Heating system boiler	12 yrs
Internal works and common areas	20 yrs
Kitchens	20 yrs
Mechanical, electrical and plumbing	25 yrs
Structure and roofs	50 yrs
Windows and doors	30 yrs

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

- **New-Build**

Housing properties in the course of construction and land for future development is held at cost and are not depreciated. Completed new-build units are transferred to completed properties when ready for letting.

The Group's policy is to capitalise the following:

- Cost of acquiring land and buildings;
- Interest costs directly attributable;
- Development expenditure including direct development staff costs; and
- Other directly attributable internal and external costs.

Expenditure on schemes which are subsequently aborted will be written off in the year in which it is recognised that the schemes will not be developed to completion.

- **Properties held for demolition**

Demolition programme housing properties have a negative valuation for accounting purposes due to the impact of demolition costs on the EUV-SH calculation, and so are held at nil on the Statement of Financial Position. Under FRS 102 there is no constructive obligation at the year-end to provide for these costs.

Investment properties

Housing for mid-market and market-rent is valued on an open market value subject to tenancies basis ("MV-T") at 31 March. The valuation is carried out by an independent professional advisor qualified by the Royal Institution of Chartered Surveyors to undertake valuation. The properties are held as investment properties not subject to depreciation. Where it is considered that there has been any impairment in value this is provided for accordingly. The cost of properties is their purchase price together with capitalised improvement works.

Commercial properties are held as investment properties and not subject to depreciation, they are held at existing use value and are subject to revaluation by an independent professional advisor qualified by the Royal Institute of Chartered Surveyors to undertake valuation. Commercial properties are re-valued at least every five years. Changes in the valuation of investment properties are reported in the Statement of Comprehensive Income in profit or loss and disclosed within other income and gains.

New-Build Grant and other capital grants

New-Build Grant is received from central government and local authorities and is utilised to subsidise the costs of housing properties. New-Build Grant is recognised as income in the Statement of Comprehensive Income under the performance model. In the case of new-build this will be when the properties are completed. New-Build Grant due or received is held as deferred income until the performance conditions are satisfied, at which point it is recognised as income in the Statement of Comprehensive Income within turnover. Grant received in respect of revenue expenditure is recognised as income in the same period to which it relates.

Properties are disposed of under the provisions contained in the Housing (Scotland) Act 2010. Any grant that is repayable is accounted for as a liability on disposal of the property. Grant which is repayable but cannot be repaid from the proceeds of sale is accounted for as a liability. Where a disposal is deemed to have taken place for accounting purposes, but the repayment conditions have not been met in relation to the grant funding, the potential future obligation to repay is disclosed as a contingent liability.

Other tangible fixed assets

For other tangible fixed assets, depreciation is charged on a straight line basis over the expected useful economic lives of fixed assets to write off the cost, less estimated residual values over the following expected lives. Assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion, at the following rates:

Office premises are held at valuation, and are depreciated, on a straight line basis, over a useful life of 40 years. Valuations are made at the end of each reporting period.

	Economic life
Office premises (valuation)	40 yrs
District heating (cost)	30 yrs
Furniture, fittings and office equipment (cost)	5-7 yrs
Computer equipment (cost)	3-7 yrs
Community infrastructure (cost)	20 yrs

Provisions
The Group only provides for liabilities at the year-end where there is a legal or constructive obligation incurred which will likely result in the outflow of resources.

Taxation
As charities, Wheatley Homes Glasgow, West Lothian Housing Partnership, Loretto Housing Association, Wheatley Care, Wheatley Homes East, and Wheatley Homes South are exempt from corporation tax on their charitable activities by virtue of Section 478 Corporation Tax Act 2010 and from capital gains tax by virtue of Section 256 Capital Gains Tax Act 1992. A charge for taxation is made in the Group's non-charitable subsidiary companies, based on their taxable profit for the year. In accordance with FRS 102, full provision is made for all material timing differences.

Value Added Tax
The Group is registered for VAT. A large portion of its income, including rental receipts, is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure with recoverable VAT is shown net of VAT and expenditure with irrecoverable VAT is shown inclusive of VAT.

3. Particulars of turnover, operating costs and operating surplus

Group

	2024				2023
	Turnover £000	Operating costs £000	Other gains/ (losses) £000	Operating surplus/ (deficit) £000	Operating surplus/ (deficit) £000
Social lettings (note 4)	346,941	(278,761)	-	68,180	91,494
Other activities (note 5)	65,636	(69,516)	-	(3,880)	(3,438)
Other gains / (losses) (note 9)	-	-	9,872	9,872	(8,671)
Total	**412,577**	**(348,277)**	**9,872**	**74,172**	**79,385**
Total for previous reporting period	423,606	(335,550)	(8,671)	79,385	

Company

	2024				2023
	Turnover £000	Operating costs £000	Other gains/ (losses) £000	Operating surplus/ (deficit) £000	Operating surplus/ (deficit) £000
Other activities (note 5)	245	(245)	-	-	-
Total	**245**	**(245)**	**-**	**-**	**-**
Total for previous reporting period	254	(254)	-	-	

4. Particulars of turnover, operating costs and operating surplus/ (deficit) from social letting activities

Group

	General Needs £000	Supported Housing £000	Other £000	2024 Total £000	2023 Total £000
Rent receivable net of service charges	292,643	10,596	1,118	304,357	292,731
Service charges	4,454	1,047	351	5,852	6,007
Gross income from rents and service charges	297,097	11,643	1,469	310,209	298,738
Less rent losses from voids	(3,585)	(314)	(1)	(3,900)	(3,439)
Net income from rents and service charges	293,512	11,329	1,468	306,309	295,299
Grants released from deferred income – new-build	27,356	247	1	27,604	54,807
Revenue grants from Scottish Ministers	-	-	-	-	4,070
Other revenue grants	12,319	708	1	13,028	3,641
Total turnover from social letting activities	333,187	12,284	1,470	346,941	357,817
Management and maintenance administration costs	(56,381)	(2,731)	(298)	(59,410)	(65,442)
Service costs	(9,175)	(524)	(127)	(9,826)	(7,465)
Planned and cyclical maintenance including major repairs costs	(30,345)	(1,087)	(242)	(31,674)	(32,191)
Reactive maintenance costs	(75,751)	(2,237)	(411)	(78,399)	(65,350)
Bad debts – rents and service charges	(2,180)	(70)	(13)	(2,263)	(3,036)
Depreciation of social housing	(93,393)	(3,360)	(436)	(97,189)	(92,839)
Operating costs from social letting activities	(267,225)	(10,009)	(1,527)	(278,761)	(266,323)
Operating surplus from social lettings	65,962	2,275	(57)	68,180	91,494
Operating surplus from social lettings for the previous reporting period	88,835	2,847	(188)	91,494	

Company

There were no activities in the Wheatley Housing Group Limited entity results classified as social letting.

5. Particulars of turnover, operating costs and operating surplus/(deficit) from other activities

Group

	Grants from Scottish Ministers £000	Other Income £000	Supporting People Income £000	Total Turnover £000	Total Operating Costs £000	2024 Operating Surplus/ (Deficit) £000	2023 Operating Surplus/ (Deficit) £000
Wider role activities to support the community	-	3,620	-	3,620	(12,821)	(9,201)	(9,435)
Care activities	-	19,472	-	19,472	(19,842)	(370)	(1,724)
Property Management	-	10,190	-	10,190	(9,259)	931	1,038
Investment Property	-	21,121	-	21,121	(6,716)	14,405	13,038
Support activities	-	585	148	733	(481)	252	1,487
Demolition activities	-	-	-	-	(155)	(155)	(1,316)
Other income	-	9,013	-	9,013	(5,150)	3,863	5,725
Depreciation – Non Social Housing	-	-	-	-	(10,265)	(10,265)	(9,483)
Organisation Restructuring	-	-	-	-	(4,768)	(4,768)	(3,173)
Development and Construction of Property Activities	1,335	152	-	1,487	(59)	1,428	405
Total from other activities	1,335	64,153	148	65,636	(69,516)	(3,880)	(3,438)
Total from other activities for the previous reporting period	-	65,655	134	65,789	(69,227)	(3,438)	

5. Particulars of turnover, operating costs and operating surplus/(deficit) from other activities (continued)

Company

	Grants from Scottish Ministers £000	Other Income £000	Supporting People Income £000	Total Turnover £000	Total Operating Costs £000	2024 Operating Surplus/ (Deficit) £000	2023 Operating Surplus/ (Deficit) £000
Provision of Group services	-	245	-	245	(245)	-	-
Total from other activities	-	245	-	245	(245)	-	-
Total from other activities for the previous reporting period	-	254	-	254	(254)	-	

Wider role activities include the provision of fuel and welfare benefits advice, the Group's EatWell, My Great Start, Home Comforts, Emergency Response Fund and Changing Lives initiatives, the Group's Here for You Fund and the provision of bursaries and educational support to our customers.

6. Board members' emoluments

Board members received emoluments of £192,369 (2023: £200,648) in respect of their services to Wheatley Housing Group Limited. These amounts are fully recharged to Wheatley Solutions and onwards to operational subsidiaries.

Emoluments were paid during the year to the following Board members:

	2024 £	2023 £
Jo Armstrong	32,370	32,370
Martin Kelso (part year)	-	11,349
Jo Boaden CBE	16,185	16,185
Lindsey Cartwright	13,474	12,408
Maureen Dowden	17,192	14,297
Bryan Duncan	16,185	16,185
Caroline Gardner CBE	16,185	16,185
Eric Gibson	16,185	16,185
Paddy Gray (part year)	-	8,093
Bernadette Hewitt	19,961	19,961
Mairi Martin (part year)	-	6,135
Angela Mitchell (part year)	-	1,034
Mary Mulligan (part year)	-	6,135
Manish Joshi (2023 part year)	12,408	11,512
John McCraw (part year)	6,342	-
Alison McLaughlin (2023 part year)	12,408	6,307
Alastair Murray (2023 part year)	13,474	6,307
	192,369	200,648

In addition, £3,446 (2023: £4,651) was paid to Board members for reimbursement of expenses.

7. Key management emoluments

	2024 £000	2023 £000
Aggregate emoluments payable to key management in post at 31 March (excluding pension contributions)	837	1,106

Emoluments payable to the Chief Executive:

	2024 £000	2023 £000
Steven Henderson (from 1 February 2023)		
Emoluments payable	80	29
Employer pension contributions	15	6
Donations made by Steven Henderson to The Wheatley Foundation	-	(20)
Total Steven Henderson	95	15

	2023 £000
Martin Armstrong (in post to 31 January 2023)	
Emoluments payable	282
Employer pension contributions	53
Total Martin Armstrong	335

The post of Chief Executive was previously held by Martin Armstrong. In 2023, the donation by Steven Henderson to the Wheatley Foundation was used to support tenants with food, fuel and rent costs during the year.

During the periods the key management's emoluments (excluding pension contributions) fell within the following band distributions:

	2024 No.	2023 No.
More than £80,000 but not more than £90,000	1	-
More than £130,000 but not more than £140,000	-	2
More than £140,000 but not more than £150,000	1	2
More than £150,000 but not more than £160,000	4	1
More than £190,000 but not more than £200,000	-	1
More than £200,000 but not more than £210,000	-	1

7. Key management emoluments (continued)

The key management are defined for this purpose as the Chief Executive and the Group Executive team in post at 31 March 2024.

Pension contributions of £157k (2023: £204k) were paid for the Chief Executive and the Group Executive team in post at 31 March 2024. Emoluments of £215k including pension contributions and compensation payments for loss of office of £333k were paid to former key management personnel. The senior officers are eligible to join the Strathclyde Pension Fund and employer's contributions are paid on the same basis as other members of staff.

There were six senior officers in post at 31 March 2024.

Steven Henderson	Group Chief Executive
Hazel Young	Group Director of Housing and Property Management
Laura Pluck	Group Director of Communities
Pauline Turnock	Group Director of Finance
Anthony Allison	Group Director of Governance and Business Solutions
Frank McCafferty	Group Director of Repairs and Assets

8. Employees

In the year to 31 March 2024, the average full time equivalent number of employees of the Group, including senior officers, was 2,783 (2023: 2,817). The total number of staff employed was 2,948 (2023: 2,922). No staff are directly employed by the Company.

Group

	2024 £000	2023 £000
Staff costs (for the above persons)		
Wages and salaries	105,360	98,807
Social security costs	10,601	10,133
Employer's pension costs	11,787	10,632
FRS 102 Pension adjustment	1,975	9,227
	129,723	128,799

9. Other gains / (losses)

Group

	2024 £000	2023 £000
Gain / (loss) on revaluation of investment property (note 19)	9,989	(9,137)
Impairment of fixed asset investment	(117)	-
Gain on business combination	-	466
Total other gains / (losses)	9,872	(8,671)

Revaluation of investment properties

A gain of £9,989k (2023: loss of £9,137k) has been recognised on the annual revaluation of investment properties. On completion of new-build investment properties, which are held on the Statement of Financial Position at valuation, FRS 102 requires the grant income relating to the properties to be recognised through profit or loss under the performance model. On the first formal annual valuation after completion, the results of the initial valuation are compared against the gross new-build development costs held in the Statement of Financial Position; this requirement results in an initial non-cash accounting loss being reported on new build additions to investment properties which is included in the overall movement reported for the year.

Impairment of fixed asset investment

In May 2024, as part of the wider reorganisation of GBG Enterprises Ltd ('GBG'), the property owned by GBG was transferred to Lowther at Net Book Value. It is expected that the reserves of GBG will be distributed to Lowther later in 2024/25 and the entity liquidated in due course. As such, the investment in subsidiary has been reduced to reflect the value of the expected distributable reserves of £133k. The reduction in value of £117k has been taken to the Statement of Comprehensive Income in the year.

Gain on business combination

The 16 units at Strathclyde (Camphill) Housing Society Limited were transferred to Wheatley Homes Glasgow, along with all related asset and liabilities, on 16 January 2023 realising a gain of £466k.

10. Gain on disposal of fixed assets

This represents net income from the sale of properties including Shared Ownership sales.

Group

	2024 £000	2023 £000
Proceeds from disposal of properties	2,523	1,675
Value of properties disposed	(1,597)	(1,400)
Gain on sale of fixed assets	926	275

11. Finance income

Group

	2024 £000	2023 £000
Bank interest receivable on deposits in the year	765	363
Net return on pension asset	96	1,443
Total	861	1,806

12. Finance charges

Group

	2024 £000	2023 £000
Interest payable	68,570	62,538
Interest amortised on Contingent Efficiency Grant	2,051	1,919
Other financing costs	1,506	1,270
Net cost on pension	155	35
Total	72,282	65,762

Other financing costs include commitment, non-utilisation fees, the amortisation of transaction costs on the Group's funding arrangements, the amortised interest on the contingent efficiencies loan and costs for refinancing of group loan arrangements.

Interest of £3.4m (2023: £2.4m) has been capitalised at a weighted average interest rate of 4.64% (2023: 3.90%). The rate is specific to the funding drawn in the year and invested in housing under construction.

13. Movement in fair value of financial instruments

Group

	2024 £000	2023 £000
Movement in the Scottish Government loan	3,684	769
Movement in discount to arrears balances (note 21)	5	(9)
	3,689	760

14. Tax on surplus on ordinary activities

Group

	2024 £000	2023 £000
Total tax expense recognised in the Statement of Comprehensive Income:		
Current tax:		
Current tax on income for the year	170	87
Adjustment in respect of prior periods	3	-
	173	87
Deferred tax:		
Origination and reversal of timing differences	2,589	(47)
Effects of changes in tax rates	-	(14)
	2,589	(61)
Total Tax	2,762	26

The Company had no tax charge for the year (2023: nil).

The charitable status of Wheatley Homes Glasgow, Wheatley Homes East, West Lothian Housing Partnership, Loretto Housing Association, Wheatley Homes South, Wheatley Care and Wheatley Foundation Limited means that no corporation tax is payable on their activities. Tax is payable on the profits from the activities of the Group's other non-charitable subsidiary companies.

14. Tax on surplus on ordinary activities (continued)

Factors affecting the tax charge for the current period

Group

	2024 £000	2023 £000
Reconciliation of effective tax rate		
Surplus for the year	4,604	16,438
Total tax expense	2,762	26
Surplus excluding taxation	7,366	16,464
Tax using the UK corporation tax rate of 25% (2023:19%)	1,841	3,128
Effects of:		
Charitable deficit / (surplus) not subject to tax	3,000	(2,556)
Qualifying charitable donations	(1,837)	(809)
Income not taxable	(334)	-
Expenses not deductible	89	277
Tax rate changes	-	(14)
Prior year adjustments	3	-
Total tax expense included in Statement of Comprehensive Income	2,762	26

The Company has no tax charge for the year (2023: nil).

15. Auditor's remuneration

	2024 £000	2023 £000
The remuneration of the auditor (excluding VAT) is as follows:		
Audit of these financial statements	41	41
Audit of financial statements of subsidiaries pursuant to legislation	625	640
Other audit related services	9	9

16. Financial commitments

Capital commitments
All capital commitments of the Group were as follows:

	2024 £000	2023 £000
Expenditure contracted for, but not provided in the financial statements	157,469	117,636
Expenditure authorised by the Board but not contracted	71,339	52,398
	228,808	170,034

The Group has access to sufficient funding through cash or bank lending facilities to meet the capital commitments.

Operating leases

At 31 March the Group had commitments under non-cancellable operating leases as follows; the Company had no such commitments:

	2024 Land and buildings £000	2024 Other £000	2023 Land and buildings £000	2023 Other £000
Operating lease payments due:				
Within one year	1,269	1,417	529	140
In the second to fifth years inclusive	2,103	109	1,186	235
Over five years	1,086	-	1,185	-
	4,458	1,526	2,900	375

Lease commitments include the timing of the full payment due under contract as required by FRS 102. The Group's social housing properties are held under operating leases and are tenanted under cancellable operating lease conditions. As such, no disclosure of tenant leases under FRS 102 section 20.30 is made.

17. Fixed assets – Social Housing Properties

Group

	Core Stock £000	Housing Under Construction £000	Shared Ownership £000	Total £000
At Valuation				
At 1 April 2023	2,459,954	120,574	19,335	2,599,863
Additions	75,906	145,718	-	221,624
Disposals	(1,561)	(347)	(57)	(1,965)
Transfers	44,799	(70,649)	-	(25,850)
Revaluation	139,963	-	2,257	142,220
At 31 March 2024	2,719,061	195,296	21,535	2,935,892
Depreciation				
At 1 April 2023	-	-	-	-
Charge for year	(96,043)	-	(427)	(96,470)
Disposals	259	-	1	260
Transfers	-	-	-	-
Revaluation	95,784	-	426	96,210
At 31 March 2024	-	-	-	-
Net Book Value - valuation				
At 31 March 2024	2,719,061	195,296	21,535	2,935,892
At 31 March 2023	2,459,954	120,574	19,335	2,599,863
Net Book Value - historic cost equivalent				
At 31 March 2024	2,536,779	195,314	17,427	2,749,520
At 31 March 2023	2,513,419	120,592	17,910	2,651,921

17. Fixed assets – Social Housing Properties (continued)

Total expenditure on repairs and capital improvements in the year on existing social housing properties was £186.0m (2023: £172.7m). Of this, repair costs of £110.1m (2023: £97.5m) were charged to the Statement of Comprehensive Income (note 4) with capital improvements of £75.9m (2023: £75.2m) shown as additions to core stock on the Statement of Financial Position. Additions to core stock in the year of £75.9m (2023: £75.2m) in the year include:

- £37.6m for component additions including:
    - £2.0m on external wall finishes;
    - £12.9m on energy efficient heating systems and boilers;
    - £3.0m on internal works and common areas;
    - £3.0m on kitchens and bathrooms;
    - £8.4m on mechanical, electrical and plumbing;
    - £4.2m on structure and roofs; and
    - £4.1m on windows and doors.
- The remaining balance of £38.3m of additions to existing properties not associated with a specific component includes £20.2m on void improvements, £5.2m of medical adaptations, £12.9m on capitalised repairs.

All subsidiaries in the Wheatley Housing Group Limited account for social housing properties at valuation. Additions to housing under construction include capitalised interest costs of £3.4m (2023: £2.4m). Interest has been capitalised at the weighted average interest cost for the Association of 4.64% (2023: 3.90%).

The valuation of social housing properties is separated into two categories, namely those retained for letting and those properties which form part of the Group's demolition programme, as detailed in the Group's 30-year Business Plan for 2023/24. The demolition programme identifies 814 (2023: 793) properties for demolition over the next few years, with no long-term investment expenditure associated with these properties.

Demolition programme stock has a negative valuation for accounting purposes due to the impact of demolition costs on the Existing Use for Valuation – Social Housing ("EUV-SH") calculation, and so is held at nil on the Statement of Financial Position as under FRS 102 there is no constructive obligation at the year-end date to provide for these costs.

The Group's social housing properties have been valued by Jones Lang LaSalle Limited, an independent professional adviser qualified by the Royal Institution of Chartered Surveyors ("RICS") to undertake valuations. This valuation was prepared in accordance with the appraisal and valuation manual of the RICS at 31 March 2024 on an Existing Use Valuation for Social Housing ("EUV-SH"). Discount rates between 5.75-7.00% have been used depending on the property archetype (2023: 5.75-7.00%). The valuation assumes a real rental income growth of 0.5% for the first year, followed by long-term real rental growth of 1.0% per annum for the Social Rented units, in line with the Association's 30-year Business Plan. Both mid-market and full market rent properties are assumed at a long-term real rental income growth of 0.50% throughout. The capital investment made in housing properties each year may not translate directly into an increase in the value of the assets by virtue of the nature of the EUV-SH valuation methodology.

Included in core stock are 966 garages and 1,200 parking sites owned by Wheatley Homes South held at a value of £3.9m (2023: £3.9m). These have been valued at market value subject to tenancy ("MV-T"), the Directors consider the difference between EUV-SH and MV-T for these properties to be immaterial.

17. Fixed assets – Social Housing Properties (continued)

The number of units of social housing accommodation owned and managed (excluding unlettable voids) by the Group at 31 March is shown below:

	2024	2023
Social Housing		
General needs	59,687	59,457
Shared ownership	358	359
Supported housing	1,853	1,887
Housing held for long-term letting	61,898	61,703
Housing approved/planned for demolition	814	793
Total Units	62,712	62,496

18. Fixed assets – other tangible fixed assets

Group

	Community infrastructure £000	Office premises £000	District heating £000	Furniture fittings and equipment £000	Computer equipment £000	Total £000
Cost						
At 1 April 2023	22,215	17,926	11,587	47,430	71,403	170,561
Additions	5,501	1,308	852	3,154	8,043	18,858
Disposals	-	-	-	(36)	-	(36)
Revaluation	-	(2,069)	-	-	-	(2,069)
At 31 March 2024	27,716	17,165	12,439	50,548	79,446	187,314
Depreciation						
At 1 April 2023	(4,098)	-	(4,352)	(37,929)	(52,631)	(99,010)
Charge for year	(1,225)	(769)	(321)	(2,146)	(5,805)	(10,266)
Disposals	-	-	-	22	-	22
Revaluation	-	769	-	-	-	769
At 31 March 2024	(5,323)	-	(4,673)	(40,053)	(58,436)	(108,485)
Net Book Value						
At 31 March 2024	22,393	17,165	7,766	10,495	21,010	78,829
At 31 March 2023	18,117	17,926	7,235	9,501	18,772	71,551

19. Investments

Investment properties

Group

	Properties held for market rent £000	Commercial properties £000	Total £000
Valuation			
At 1 April 2023	259,799	14,170	273,969
Additions	863	15	878
Transfers	25,850	-	25,850
Disposals	(470)	(245)	(715)
Revaluation	9,565	424	9,989
At 31 March 2024	295,607	14,364	309,971
Net Book Value			
At 31 March 2024	295,607	14,364	309,971
At 31 March 2023	259,799	14,170	273,969

Market rent properties were valued at market value subject to tenancy ("MV-T") by an independent professional adviser, Jones Lang LaSalle, on 31 March 2024.

The number of properties held for market rent by the Group at 31 March were:

	2024	2023
Market Rent Properties		
Total Units	2,597	2,481

The Group's commercial properties were valued by an independent professional advisor, Jones Lang LaSalle, on 31 March 2024 in accordance with the appraisal and valuation manual of the RICS.

In determining the valuation of investment properties, it is assumed that there are no restrictions on the ability to realise the investment properties or the remittance of income and proceeds of disposal. There are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

19. Investments (continued)

Investment in joint venture

Group

	2024 £000	2023 £000
Investment in joint venture	116	116

The Group is a 50:50 joint venture partner in City Building (Glasgow) LLP. The investment in City Building (Glasgow) LLP is recognised in the financial statements at cost less any impairment. The Group's share of profits or losses of the joint venture are recognised in the Statement of Comprehensive Income and the initial investment is subsequently adjusted to reflect the Group's share.

20. Stock

Group

	2024 £000	2023 £000
Maintenance stock	1,926	1,713

Stock at maintenance depot relates to consumable parts in relation to our repairs and investment service for our subsidiaries in the east and south of the country.

21. Debtors

Group

	2024 £000	2023 £000
Due within one year:		
Arrears of rent and service charges	20,935	18,382
Adjustment to discount arrears balances with payment plans (note 13)	(128)	(133)
Less: provision for bad and doubtful debts	(10,526)	(10,198)
	10,281	8,051
Prepayments and accrued income	10,073	8,727
Other debtors	29,189	28,449
Total	49,543	45,227

22. Creditors: amounts falling due within one year

Group

	2024 £000	2023 £000
Amounts falling due within one year:		
Trade creditors	20,265	6,349
Accruals	52,937	58,626
Deferred income (note 23)	57,553	36,461
Rent and service charges received in advance	23,974	14,250
Salaries, wages, other taxation and social security	1,717	3,545
Corporation tax	57	84
Housing loans	33,503	16,384
Other creditors	22,401	18,181
Total	212,407	153,880

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

Group

	2024 £000	2023 £000
Scottish Government loan	46,280	47,913
Housing loans	1,580,555	1,529,620
Deferred income	79,591	53,570
Total	1,706,426	1,631,103

The Scottish Government made available to Wheatley Homes Glasgow £100.0m of contingent efficiencies grant over an eight-year period. Under this agreement £100.0m (2023: £100.0m) has been received and this is an interest-free loan with repayment due in 2040/41. The amount due of £46.3m at 31 March 2024 is the measurement of the liability after discounting for an equivalent interest bearing arrangement with the same repayment date. This treatment is consistent with FRS 102 which requires financial instruments to be measured at amortised cost. The movement in the balance in the year relates to:

- interest costs: £2.1m (2023: £1.9m)
- fair value movement: gain of £3.7m (2023: gain of £0.8m)

Interest costs are reported within finance charges (note 12). The movement in the fair value is reported on the face of the Statement of Comprehensive Income.

23. Creditors: amounts falling due after more than one year (continued)

Housing Loans

RSLs borrowing arrangements are in place via a Group funding structure which consists of bank and capital markets debt, secured on charged properties owned by RSLs within the Wheatley Housing Group. RSL Group funding was made up of a committed facility of £672.8m from a syndicate of commercial banks, two committed facilities totalling £270.7m from the European Investment Bank, £300.0m raised through the issue of a public bond, £264.0m private placement loan notes with BlackRock Real Assets and M&G Investment Management, a £50.0m facility with Barclays, a £35.0m facility with RBS, and £75.0m charitable bonds via Allia Social Impact Investments. This provided total facilities of £1,667.5m for RSLs through Wheatley Funding No.1 Limited, a wholly owned subsidiary of the Wheatley Housing Group Limited. At 31 March 2024, the RSL borrowing group comprises Wheatley Homes Glasgow, Wheatley Homes South, Wheatley Homes East, Loretto Housing Association and Wheatley Developments Scotland.

Additional separate facilities are provided through direct loans to Wheatley Homes East comprising of a committed facility from The Housing Finance Corporation of £16.5m and a £16.0m unsecured Scottish Government Charitable Bond with Allia Limited. Wheatley Homes South also has and a facility of £40.0m with The Housing Finance Corporation. The loan premium of £1,602k received on drawdown is being amortised over the life of the loan and at the 31 March 2024 stood at £978k (2023: £1,030k). A further £35.0m facility is in place with Allia under the Scottish Government Charity Bonds Programme.

23. Creditors: amounts falling due after more than one year (continued)

Bond finance is repayable in 2044/45 and has a coupon rate of 4.375%.

Lowther Homes Limited has access to a £76.5m facility provided through Wheatley Funding No.2 Ltd ("WFL2") via an agreement with Scottish Widows through Bank of Scotland. Interest on the new facility has been charged at a rate of 3.77%.

Borrowings are repayable as follows:

	2024 £000	2023 £000
In less than one year	33,503	16,384
Between one and five years	280,833	135,103
In more than five years	1,299,722	1,394,517
	1,614,058	1,546,004

The deferred income balance is made up as follows:

	Housing Association Grant £000	Other £000	Total Deferred Income £000
Deferred income as at 1 April 2023	83,207	6,824	90,031
Additional income received	76,688	533	77,221
Released to the Statement of Comprehensive Income	(28,939)	(1,169)	(30,108)
Deferred income as at 31 March 2024	130,956	6,188	137,144

This is expected to be released to the Statement of Comprehensive Income in the following years:

Deferred income to be released to the Statement of Comprehensive Income:	2024 £000	2023 £000
In less than one year (note 22)	57,553	36,461
In more than one year but less than five years	79,591	53,570
In more than five years	-	-
	137,144	90,031

23. Creditors: amounts falling due after more than one year (continued)

Financial instruments

Financial assets:	2024 £000	2023 £000
Measured at amortised cost:		
Debtors and accrued income	49,543	45,227
Total	49,543	45,227

Financial liabilities:	2024 £000	2023 £000
Measured at amortised cost:		
Creditors, accruals and deferred income	258,495	191,066
Bank loans	1,614,058	1,546,004
	1,872,553	1,737,070
Measured at fair value:		
Scottish Government loan	46,280	47,913
Total	1,918,833	1,784,983

Income earned and expense payable on the financial assets and liabilities is disclosed in note 11 and 12 respectively.

24. Provisions for liabilities and charges

Group

	Insurance £000	Deferred Tax £000	Dilapidation Provision £000	Total £000
At 1 April 2023	521	6,779	1,438	8,738
Created	619	2,597	381	3,597
Utilised	(47)	-	(609)	(656)
At 31 March 2024	1,093	9,376	1,210	11,679

Insurance
A provision has been made in respect of the excess arising on all outstanding insurance claims.

Deferred tax
Deferred tax is provided to take account of timing differences between the treatment of certain items for financial statement purposes and their treatment for tax purposes. Deferred tax is provided for all material timing differences and for the unrealised gain or losses on investment properties in certain subsidiaries in the Group. The UK's main corporation tax rate, effective from 1 April 2023 is 25%.

Dilapidation provision
This provision represents the estimated costs of dilapidation works required under lease contracts for office properties leased by group entities.

25. Share capital
Wheatley Housing Group Limited was incorporated on 13 June 2012 and is a Company Limited by Guarantee and therefore does not have any Share Capital.

There were no balances in reserves for the company at 31 March 2024.

26. Pensions
Strathclyde Pension Fund
The funds are part of the wider Local Government Pension Scheme ("LGPS") in Scotland. The Group subsidiary Wheatley Homes Glasgow Limited participates in the Strathclyde Pension Fund ("SPF") which is administered by Glasgow City Council and is a defined benefit scheme.

The latest full actuarial valuation was carried out as at 31 March 2023.

In preparing the formal valuation at 31 March 2023 an allowance for full GMP indexation and an estimate of the impact of the McCloud judgement was also included based on eligibility criteria of members for inclusion in the agreed remedy.

26. Pensions (continued)

TPT Retirement Solutions - Scottish Housing Association Pension Scheme
West Lothian Housing Partnership, Loretto, Wheatley Care and Wheatley Homes East participated in the Pensions Trust Scottish Housing Association Pension Scheme (“SHAPS”) defined benefit section. This is a multi-employer defined benefit scheme and is funded and contracted out of the State Pension Scheme. Loretto and Wheatley Care transferred to the SHAPS Defined Contribution scheme with effect from 1 July 2013 and Wheatley Homes East transferred on 1 April 2014.

As part of the transfer of engagements of West Lothian Housing Partnership to Wheatley Homes East which took place during in 2022/23, the assets and liabilities of West Lothian Housing Partnership in the SHAPs Defined Benefit scheme transferred to Wheatley Homes East. The transfer took place on 31 August 2022.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit which ran to 30 September 2022. In the years between the three yearly actuarial valuations, the Scheme Actuary provides an annual Actuarial Report which tracks the funding progress against the Scheme’s agreed funding strategy. The 30 September 2023 report confirmed the Scheme’s funding level had reduced from 98% at 30 September 2021 to 90%. The Scheme Actuary is unable to predict what the funding level will be on 30 September 2024 and while deficit contributions are not currently payable, this will be reassessed as part of the 2024 valuation. We are prepared for the possibility that deficit contributions may be reintroduced should a deficit be identified at 30 September 2024. If the Scheme follows the same approach as in previous valuations these will come into effect from 1 April 2026.

The Scheme is classified as a ‘last-man standing arrangement’ therefore the company is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

A review of TPT benefits is ongoing, with legal opinion being sought on whether pre-2003 benefits should have continued to receive pension increases in line with RPI inflation, rather than being switched to CPI inflation from 2011 onwards. The choice of inflation measure can have an impact on members’ benefits because RPI is generally expected to be higher than CPI. Guidance from the Court, and therefore whether any increases to members benefits will be needed, is not expected before late 2024.

Wheatley Housing Group Defined Contribution Scheme
The Group also operates defined contribution schemes through the Cushon Master Trust and Aviva. These arrangements are open to most employees who are not members of the Strathclyde Pension Fund, SHAPS defined benefit or defined contribution scheme, or any other group scheme. Employer contributions vary pro rata with the level of contributions chosen by the individual employee member and range from 8% to 12%. Employer contributions are capped at 12%.

26. Pensions (continued)

Group Defined Benefit assets and obligations
The assumptions that have the most significant effect on the results of the valuation of the Group defined benefit pension arrangements, are those relating to the rate of return on investments and the rates of increases in salaries and pensions. The principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	31 March 2024	31 March 2023
Discount rate	4.80%	4.75%
Future salary increases	2.30%*	2.60%
Inflation	2.80%	2.95%

** future salary increases assumed to be 4.50% p.a. for the first year, 2.50% in year two and 2.00% p.a. thereafter.*

As at 30 March 2023, Hymans Robertson's CPI assumption methodology has been updated. This adjustment has resulted in the CPI assumption being 0.1% p.a. higher compared to the assumption that would have been derived using the methodology adopted at 31 March 2022. The rationale for this is to include an allowance for high inflation since 30 September 2022.

In valuing the liabilities of the pension fund at 31 March 2024, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard mortality tables and include an allowance for future changes in longevity. The assumptions are equivalent to expecting a 65-year-old to live for a number of years as follows:

- Current pensioner aged 65: male 20.2 years, female 22.7 years (2023: 19.3 and 22.2 years, respectively)
- Future retiree upon reaching 65: male 21.4 years, female 24.1 years (2023: 20.5 and 24.2 years, respectively)

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The information disclosed below is in respect of the whole of the plans for which the Group has been allocated a share of cost under an agreed policy throughout the periods shown.

26. Pensions (continued)

Movements in present value of defined benefit obligation

	SPF 2024 £000	SHAPS 2024 £000
Opening defined benefit obligation	**397,395**	**49,117**
Current service cost	11,990	-
Interest cost	18,855	2,304
Loss on curtailment	-	-
Actuarial losses/(gains)	34,791	(825)
Contributions by members	2,677	-
Estimated benefits paid	(17,242)	(1,524)
Expenses	-	72
Closing defined benefit obligation	**448,466**	**49,144**

Movements in fair value of plan assets

	SPF 2024 £000	SHAPS 2024 £000
Opening fair value of plan assets	**616,845**	**45,870**
Expected return on plan assets	29,256	2,149
Actuarial gains/(losses)	40,386	(3,793)
Contributions by the employer	10,087	72
Contributions by the members	2,677	-
Estimated benefits paid	(17,242)	(1,524)
	682,009	42,774
Effects of changes in surplus not recoverable	(235,578)	-
Closing fair value of plan assets	**446,431**	**42,774**

26. Pensions (continued)

	SPF Value at 31 March 2024 £000	SHAPS Value at 31 March 2024 £000	Total 31 March 2024 £000
Present value of funded defined benefit obligations	(446,431)	(49,144)	(495,575)
Present value of unfunded defined benefit obligations	(2,035)	-	(2,035)
Fair value of plan assets	682,009	42,774	724,783
Re-measurements for change in asset ceilings	(235,578)	-	(235,578)
Net liability	(2,035)	(6,370)	(8,405)

Expense recognised in the Statement of Comprehensive Income

	SPF 2024 £000	SHAPS 2024 £000
Current service cost	7,845	-
Past service cost	4,145	-
Net interest on defined benefit obligation	(96)	155
Administration costs	-	72
	11,894	227

The total amount recognised in the Statement of Comprehensive Income in respective of actuarial gains and losses is a loss of £5,701k (2023: £50,796k loss).

26. Pensions (continued)

The fair value of the plan assets and the return on those assets were as follows:

	2024 £000	2023 £000
Equities	406,834	379,291
Corporate bonds	185,423	174,890
Property	70,329	65,133
Alternatives	25,950	29,695
Cash	36,247	13,788
	724,783	662,797
Actual return on plan assets	67,998	(32,923)

27. Related party transactions

The company retains a register of Directors' interests. During the year there were no interests in related parties that require to be disclosed or declared by Directors. Directors received emoluments for their services to Wheatley Housing Group Limited. Details are included in Note 6.

Tenant and factored homeowners Directors
The following Directors are tenants and have tenancies that are on the Association's normal terms and they cannot use their positions to their advantage:

Bernadette Hewitt – tenant of Wheatley Homes Glasgow
John McCraw from 27 September 2023 – tenant of Wheatley Homes South

Transactions entered into with members, and rent arrear balances outstanding at 31 March, are as follows:

	2024 £000
Rent charged during the year	8
Arrears balances outstanding at 31 March 2024	-

27. Related party transactions (continued)

Other related parties

Related party interests and transactions during the year are as follows:

2024	Invoiced/paid in the year £000	Year end balance £000
City Building (Glasgow) LLP	103,286	(5,165)
Strathclyde Pension Fund	10,087	-
TPT Retirement Solutions – Scottish Housing Association Pension Fund	72	-
Transforming Communities Glasgow	-	-
Barmulloch Community Development – to 22 November 2023	-	-
Scotcash CIC	-	-

All transactions were on commercial terms and at arm's length.

The Wheatley Housing Group Limited has a 50:50 share in City Building (Glasgow) LLP with Glasgow City Council. The joint venture provides repairs and investment services to the Group subsidiaries in the west of Scotland.

During the year Wheatley Homes Glasgow held nomination rights to a directorship of Transforming Communities: Glasgow ("TC:G"). Bernadette Hewitt served as a Wheatley Homes Glasgow nominated director on the board of TC:G until 22 November 2023. Maureen Dowden served as a Wheatley Homes Glasgow nominated director on the board of TC:G from 22 November 2023. Bryan Duncan served as a nominated director during the year.

During the year Wheatley Homes Glasgow held nomination rights to a directorship of Scotcash CIC. These rights allow Wheatley Homes Glasgow to nominate up to two directors to the board of Scotcash with Pauline Turnock and David Rockliff serving on the board during the year.

28. Cash Flow Analysis
Reconciliation of surplus to net cash inflow from operating activities

	2024 £000	2023 £000
Surplus for the year	4,604	16,438
Depreciation of tangible fixed assets	107,454	102,322
Increase in stock	(213)	(301)
(Increase)/decrease in debtors	(4,315)	8,906
Increase/(decrease) in creditors and provisions	24,673	(4,266)
Pensions costs less contributions payable	1,903	9,132
Adjustment for investing or financing activities:		
Gain from the sale of tangible fixed assets	(926)	(275)
Grants utilised in the year	(30,108)	(58,903)
Interest receivable	(861)	(1,806)
Interest payable	72,282	65,762
Movement in fair value of financial instruments	(3,689)	(760)
(Gain)/loss on investment activities	(9,872)	8,671
Net cash inflow from operating activities	160,932	144,920

29. Subsidiary and associated undertakings
The ultimate parent company is Wheatley Housing Group Limited. The Company has twelve immediate subsidiaries – Wheatley Homes Glasgow Limited, West Lothian Housing Partnership Limited (non-trading), Loretto Housing Association Limited, Wheatley Funding No.1 Limited, Wheatley Funding No.2 Limited, Wheatley Developments Scotland Limited, Lowther Homes Limited, Wheatley Homes East Limited, The Wheatley Foundation, Wheatley Solutions Limited, Wheatley Care and Wheatley Homes South Limited.

Wheatley Housing Group Limited retains constitutional control of all subsidiary undertakings.

The objective of Wheatley Funding No.1 Limited is the provision of finance to the RSLs in the Group. Wheatley Funding No.1 Limited is the parent of Wheatley Group Capital plc, the vehicle for raising bond financing. Wheatley Funding No.2 Limited provides finance to Lowther Homes Limited. Lowther Homes Limited is involved in providing private and mid-market rent properties for let and the provision of property management services to homeowners.

Wheatley Housing Group Limited is a 50:50 joint venture partner with Glasgow City Council in City Building (Glasgow) LLP. The Group's share of the results of City Building (Glasgow) LLP are accounted for using the equity method.

29. Subisidiary and associated undertakings (continued)

For the year ended 31 March 2024 the West Lothian Housing Partnership Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies with Wheatley Housing Group Limited, as the parent undertaking, providing a guarantee under section 479C.

The results of Scotcash CIC have not been consolidated as an associate undertaking into these accounts as they are not material to the Group's operations. Scotcash provides accessible and affordable finance to individuals with limited access to banking services. Wheatley Homes Glasgow provided start-up funding to Scotcash and has no outstanding obligations. Scotcash commenced winding up proceedings on 7 December 2023 through a Members' voluntary liquidation.

The legal form and share capital of each immediate subsidiary of the Wheatley Housing Group Limited is as follows:

Subsidiary	Legal status	Issued share capital
Wheatley Homes Glasgow Limited	Co-operative and Community Benefit Society	10 x £1 shares
Wheatley Homes East Limited	Co-operative and Community Benefit Society	105 x £1 shares
Wheatley Funding No.1 Limited	Company Limited by Guarantee	No share capital
Wheatley Funding No.2 Limited	Company Limited by Guarantee	No share capital
Lowther Homes Limited	Company Limited by Shares	100 x £1 ordinary shares
Loretto Housing Association Limited	Co-operative and Community Benefit Society	70 x £1 ordinary shares
West Lothian Housing Partnership Limited (non-trading)	Company Limited by Guarantee	No share capital
Wheatley Solutions Limited	Company Limited by Shares	100 x £1 shares
The Wheatley Foundation Limited	Company Limited by Guarantee	No share capital
Wheatley Homes South Limited	Company Limited by Guarantee	No share capital
Wheatley Care	Company Limited by Guarantee	No share capital
Wheatley Developments Scotland Limited	Company Limited by shares	2 x £1 shares

The Company exercises its functions as parent of the entities listed above through ownership of 100% of the share capital in all Companies Limited by Shares, through the ownership of a parent share with controlling rights in all Co-operative and Community Benefit Societies, and through a controlling interest as a member of the Companies Limited by Guarantee. Transactions between wholly owned Group companies and closing balances do not require to be disclosed under FRS 102.

SUPPLEMENTARY INFORMATION

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Wheatley
Group