



DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended

31 March 2015

Wheatley Housing Group Limited

Scottish Housing Regulator Registration No. 363
Registered No. SC426094

CHAIR'S REPORT

It has been another memorable year for Wheatley and, of course, Scotland.

In 2014, Scots had their say on our country's future, while Glasgow hosted the best ever Commonwealth Games. As these momentous events unfolded, Wheatley created its own piece of history.

In November 2014, we issued a £300 million 30-year public bond on the capital markets, the first Scottish housing group to do so. The offer period not only closed early due to high demand from investors, the 4.375% bond, £50 million of which was retained, was more than £125 million oversubscribed. In January 2015, the remaining £50 million was sold at the UK's lowest – at the time – rate of 3.542% for a housing association public bond.

The confidence shown by investors confirmed Standard & Poor's 2014 AA- rating of Wheatley, which was subsequently upgraded in June 2015 from a stable to positive outlook to reflect the Group's continuing improved financial performance and strong operational management. This £300 million encouraged the Scottish Government to allocate an additional £97.1 million of grant funding to Wheatley's new 2,800 home development programme over the next seven years.

Another landmark moment was the addition of the Edinburgh-based Dunedin Canmore Group to Wheatley in June 2015. With overwhelming backing from Dunedin Canmore tenants – 84.3% voting in favour of joining the Group – this highly-respected new partner organisation means Wheatley is now operating in no fewer than 15 local authorities across the country.

Our financial position continues to improve and business performance across the Group remains strong. Our RSLs demonstrated continued improvement across all Scottish Social Housing Charter measures, with customer satisfaction remaining over 90% for our largest subsidiary, Glasgow Housing Association, and top quartile performance in key measures such as void levels and arrears. Prudent management and efficiencies saw us outperform our budget by £14 million, realising an operating surplus of 17% and a surplus after interest and tax of £9.7 million.

Our drive to create stronger communities by integrating housing and care services is progressing. Loretto Care's new Tenancy Support Service is now available to our most vulnerable customers, and this has contributed already to a rise in tenancy sustainment. I am also proud to confirm almost 700 training, apprenticeship and employment opportunities were created through the Wheatley Pledge, community-benefit clauses in our contracts and our Community Janitor programme.

Finally, I would like to pay tribute to my predecessor Alastair Dempster, who retired as Group Chairman earlier this year. Alastair, an inaugural Board member of GHA, was instrumental in the creation of Wheatley. As its first Chairman, he played a pivotal role in establishing Wheatley as a force for good locally and nationally, and I would like to place on record the thanks of staff, customers, stakeholders and fellow Board members for his dedication and wise leadership.

I look forward to building on his stewardship of Wheatley in Making Homes and Lives Better for thousands of families and individuals across Scotland.

Alastair MacNish OBE

Chair of Wheatley Housing Group Board

CHIEF EXECUTIVE'S REPORT

Wheatley has taken great strides in defining and differentiating itself as a leading housing, care and property-management group. This is based on two key factors.

The first is the evolution of our successful partnership model, which enables members of the Group to retain their own identity, brand and governance under an unrelenting local commitment to excellence. Under the Wheatley roof, there is an outstanding opportunity to draw on our combined expertise, best practice and experience and to do so as high-performing, customer-focused organisations sharing considerable financial and operational resources and capacity.

Our second defining point is a commitment to develop a new range of person-centred, tailored services. These are being designed around the findings of highly-developed customer insight and sector-leading customer-segmentation analysis. The aim is to encourage and empower Wheatley's customers to tailor the services they, their families and communities need. It is a concept based on our strong belief there is no such thing as a "universal customer".

Large organisations like Wheatley need to be nimble and responsive to each individual customer's expectations and needs. In yesterday's world, housing, care and property management providers dictated to their customers what they believed to be right for them. What we need to do is to engage individually with our tenants, factored homeowners and the people who need our support to enable them to choose what, when and how we serve them.

To do that, and remembering many of those customers are vulnerable, we need not only to harness the very latest technology and to employ best practice from both private and public sectors, but to find new ways to develop their confidence and ability to help us design, select and draw down those services.

Our 2500 staff are setting about this ambitious vision by taking their award-winning "ThinkYes" attitude and culture to the next level by delivering great customer outcomes through our new Wheatley Employees ("W.E.") Excel campaign.

In the two years since Wheatley was created, we have come a long way in establishing the organisation as a force for good in communities across Scotland. As we go forward, we will continue to raise the bar for our customers and communities, and to continue delivering a full range of excellent homes and personalised services.

Martin Armstrong

Wheatley Housing Group Chief Executive

STRATEGIC REPORT (continued)

- Loretto Housing Ltd (“LHA”) – a specialist provider of supported accommodation with 1,243 properties in west and central Scotland
- Dunedin Canmore Housing Ltd – with 5,879 affordable rented properties across Edinburgh, the Lothians and Fife
- A charitable care provider, Loretto Care, which supports over 1,000 people with specialist needs, many of whom live in properties owned by its parent entity, Loretto Housing Ltd
- Three commercial entities:
 - YourPlace (incorporated as Glasgow Housing Association (Management) Ltd) – providing factoring (common property management services) to over 26,000 customers
 - Lowther Homes Ltd – with 304 private rented homes; it also provides management services for the Group’s mid-market rented homes
 - Dunedin Canmore Enterprise – with 127 properties, the majority of which are for mid-market rent, as providing property management and repairs and maintenance services to Dunedin Canmore Housing
- Four funding entities:
 - Wheatley Funding No.1 Ltd (“WFL1”) – the treasury vehicle which draws funds from bank lenders and our bond issuer vehicle and on-lends these to the Group’s Registered Social Landlords (“RSLs”)
 - Wheatley Group Capital plc – a subsidiary of Wheatley Funding No.1 Ltd, this is the entity which issued our bonds on the London Stock Exchange
 - Wheatley Funding No.2 Ltd (“WFL2”) – the treasury vehicle for our commercial entities
 - GHA (Funding) Ltd – the treasury vehicle used up until the 28th November 2014 to on-lend syndicated bank funding to Glasgow Housing Association

All of these entities are direct subsidiaries of the Wheatley Housing Group Ltd unless otherwise stated above.

STRATEGIC REPORT (continued)

The total number of housing properties owned by the Group at 31 March (excluding Dunedin Canmore Housing and Dunedin Canmore Enterprise) was:

	2015	2014
General needs	42,472	42,666
Shared ownership	46	50
Supported housing	1,324	1,335
Housing approved/planned for demolition	1,336	2,222
Market rent	478	381
Total Units	45,656	46,654

The year under review

The year to 31 March 2015 marked the completion, significantly ahead of schedule, of the majority of commitments contained in our Group Strategy 2013-16. The five Strategic Statements contained within this were:

- Delivering customer service excellence
- Growing our assets
- Building stronger communities
- Developing our people
- Strengthening our funding base

Following the addition of Loretto Care, our Group Care Strategy was added as a sixth element of our overall strategy in 2014.

The key achievements during the year under each area of our strategy were as follows:

Delivering service excellence

The Group's award-winning culture change programme ThinkYes was taken to the next level under the "W.E. Excel" banner. This challenged all staff across the Group to develop their own specific plans to exceed the expectations of their customers.

The Group's RSL operating model, enabling our social landlords to be closer to their tenants, continued to result in a range of business and customer benefits. The model involves housing officers managing patch sizes of just 200 homes and the 24/7 support of the Glasgow-based Customer Service Centre ("CSC"), which handled 620,000 calls in the year up from 500,000. This has increased customer satisfaction, in GHA's case to over 90%, better tenancy sustainment and an on-going ability to maintain affordable rents.

The successful launch of the new Customer Relationship Management ("CRM") system has reduced significantly time taken to process a service request, with a repair now completed across three screens instead of 17.

The Group's Channel Shift strategy has gathered pace with the roll-out of a new online portal for customers, enabling them to manage their personal accounts and book appointments. New technology developments also have included frontline staff piloting handheld devices linked to the CRM, allowing for quicker and smoother transactions.

STRATEGIC REPORT (continued)

Both Cube and WLHP joined GHA during the year in achieving Customer Service Excellence ("CSE"), the benchmark UK standard for customer service excellence in the public sector. YourPlace was also recognised at the Quality Scotland awards, achieving coveted 3-star status.

Growing our assets

A key Wheatley strategic aim is to use our size and scale to increase the supply of affordable housing. A total of 468 new homes were built in 2014-15, with work started on a further 276.

Quality is at the forefront of all of our new developments. This was borne out by awards during the year for Loretto Housing, which won Large Affordable Housing Development of the Year at the Scottish Homes Awards for its development at Charleston Square in Paisley, and GHA, which won City Regeneration Project of the Year at the Scottish Property Awards in March 2015 for its Duke Street/High Street development.

Under a new strategic agreement signed during the year, Wheatley and Cube Housing Association will build 300 new homes as the regeneration partner of West Dunbartonshire Council.

Tenants of the Dunedin Canmore Group, with 5,992 homes in Edinburgh, the Lothians and Fife, voted overwhelmingly in favour of joining the Wheatley family in February 2015, with the partnership subsequently completed in June 2015. This means that, in the last two years, over 7,000 units have been added to the Group's RSL portfolio through the partnerships with West Lothian Housing Partnership in 2013, Loretto Housing and Care in 2014 and Dunedin Canmore in 2015.

Building stronger communities

An unrivalled range of support continues to be offered to our communities. The support and expertise of Loretto Care staff enables housing officers to offer even greater personalised support to our most vulnerable tenants as do programmes such as Home Comforts, which provides recycled furniture to people in need, and Eat Well.

The results include better tenancy sustainment, with Cube's rising from 82% to 88% and GHA's increasing to 90%, and an overall reduction in tenancy turnover from 12% to 8.6%.

Creating jobs, training places and apprenticeships is also central to our determination to build stronger communities, with 690 opportunities being created through our employability schemes in the past year.

Since its launch in 2013, over 60 contractors have signed the Wheatley Pledge, creating over 150 jobs or training opportunities, to go with 173 Modern Apprenticeships.

Developing our people

Members of our Group place major emphasis on empowering, inspiring and motivating their staff as we seek to be one of the country's most progressive, customer-focused and responsive housing, regeneration and care Groups.

STRATEGIC REPORT (continued)

The next stage of our ThinkYes culture-change programme – W.E. Excel – is equipping and supporting staff across Wheatley to find new and innovative ways to delight internal and external customers within a value-for-money framework, while living our values of Excellence, Trust, Ambition and Community.

Our commitment to engaging staff in shaping the future of the organisation is demonstrated by the latest series of more than 40 Wheatley Way road shows, led by the Executive Team. Held in The Academy within Wheatley House, these events enable staff to come together to share ideas and best practices.

The launch of a second Academy, based in WLHP's office in Bathgate, underlined the Group's commitment to staff development and our reputation as the sector's employer of choice as we seek to attract and retain the best people, with the skills and commitment to deliver our ambitious vision.

Staff satisfaction increased in the year to 85% at the same time as challenging workforce targets and improving service levels were achieved.

External awards and accreditations bore out the progress made during the year. GHA was named the UK's Large Employer of the Year by Investors in People (IIP), while Group Chief Executive Martin Armstrong won Leader of the Year prize. GHA also won Business Transformation of the Year at the UK housing awards, while Cube achieved IIP Gold status.

Strengthening our funding base

Planned efficiencies exceeded Business Plan projections; we outperformed budget by £14 million for the year, driven by a cost efficiency programme delivered ahead of schedule. The Group delivered a 17% operating margin and a surplus for the year after interest and tax of £9.7 million.

2014/15 marked a new stage in the growth and evolution of the Wheatley Group, with our highly successful debut £300m public bond issuance - the first ever such fundraising by a Scottish housing group. In doing so, we broke new ground by proving that a successful Scottish affordable housing group could raise investment at scale from the market. What was even more remarkable was that this happened against a backdrop of difficult market conditions in the wake of the Scottish independence referendum. Our initial issuance of £250 million in November 2014 achieved a coupon of 4.375%. In January 2015 we also sold £50m of retained bonds at a yield of 3.542%. This represented the lowest ever cost of bond funding by a housing association in the UK at that time. It also set a new benchmark for our spread – with a level of 1.4%, similar to that achieved by established English providers.

The bond funding, together with grant of £97.1 million from the Scottish Government, will co-fund the Group's new 2,800 home development programme over the next seven years.

The favourable rate achieved on our bond issue has reduced borrowing costs, allowing an annual saving of £2.2 million to be realised relative to our business plan. Plans are progressing to set up a new charitable trust, the Wheatley Foundation, which will fund the Group's "Better Lives" programmes of work.

STRATEGIC REPORT (continued)

Leading global rating agency Standard & Poor's rated Wheatley 'AA- stable' in June 2014, and on the back of our positive expected financial performance for the year, upgraded this to a positive outlook in June 2015.

In addition, a new £50 million loan facility was agreed with some of the Group's existing funders to help grow Lowther Homes' property portfolio in the private-rented sector.

Care

Loretto Care completed its integration into the Group, while achieving Customer Service Excellence, iIP Gold and an excellent Care Inspectorate report.

Loretto's experience and expertise was used to good effect in supporting Group RSLs' most vulnerable customers. Their new Tenancy Support Service is helping tenants at risk of losing their home due to chaotic lifestyles, debt, addiction and other issues. A total of 177 tenants across Wheatley partner organisations benefited from the service.

Looking ahead

The Wheatley Way – the strategic objectives underpinning our vision for the organisation – is to set the benchmark in the UK for outstanding customer satisfaction in housing, care and property management. In October 2014, the Group Board approved seven new pillars for the next stage of this journey to 2020:

- Customer service excellence
- Transforming the care environment
- Community empowerment and capacity
- Building shared capability
- Asset growth
- Commercialisation of the Group
- A strong and diverse funding base

These pillars will be translated into a detailed five-year strategy for the Group, to be published in the second half of 2015. Value for money and affordability are key themes which will underpin every part of this strategy. Qualitative and quantitative market research will enable Wheatley's partner organisations to know and better understand all sections of their customer bases. Increased investment in technology will create cutting-edge platforms for customers to transact and engage on a new level, leading to personalised, tailored services that recognise there is no such thing as a universal customer.

Ongoing investment in the Group's asset base will protect our properties and communities and ensure they continue to be great places to live. Affordable housing will be at the heart of what Wheatley has to offer, although the Group also will grow its mid and full-market portfolios and develop market share in the private-rented sector.

Wheatley will continue to work closely with partners and stakeholders across Scotland and beyond, using its scale and capacity to great effect, while remaining deeply rooted in the communities we serve.

STRATEGIC REPORT (continued)

Financial performance

The financial statements reflect the introduction of the Statement of Recommended Practice (SORP) for Social Housing Providers 2014 for the first time. Comparative figures have been restated accordingly.

Comprehensive Income

The year to 31 March 2015 saw a strong financial performance across the Wheatley Group. From a turnover of £252.2m (2014: £237.1m), the Group achieved an operating surplus of £42.9m, or an operating margin of 17.0% (2014: £36.8m, 15.5%, before gains on business combinations) and an overall surplus for the year of £9.7m. Total Comprehensive Income for the year of £71.2m (2014: £201.1m) reflected the operating surplus combined with the improving position of the Group's pension schemes. The higher level of Total Comprehensive Income in 2013/14 arose from a large revaluation gain on the Group's housing properties that year, following the completion of a significant stage in the Group's investment programme. A continued focus on efficiency and value for money delivered an operating surplus from social lettings of 36%.

Income from non-social housing sources continued to represent a relatively small proportion of the Group's activity in financial terms. Loretto Care, the Group's care and support subsidiary, reported turnover of £11.8m (4.7% of Group turnover) and posted a surplus of £0.3m, while income from investment/commercial property was £5.1m (2.0% of Group turnover).

Financial Position

The Group Statement of Financial Position shows an increase in the value of housing properties during the year of £87.5m (8%), reflecting the on-going benefit of the investment we make in customers' homes and our new build programme. Capital and reserves have grown by 15% to £537.5m, giving us a strong platform for investment in growth and new development.

Debt levels remain prudent and sustainable. Long term housing loans in the Statement of Financial Position were £731.0m (2014: £587.5m) with gearing, based on the prudent measure of net debt / balance sheet property values (with social housing assets valued at Existing Use Value – Social Housing), of 51%. Gross debt per unit was £16,000, below the majority of large UK housing groups.

Cash flow and liquidity

The Group Cash Flow Statement demonstrates a strengthening operating cash flow. Net cash inflow from operating activities was up by 15% to £45.4m (2014: £39.4m).

The Group's strong liquidity position is further supported by its continuing annual access to grant income under long-term agreements with the Scottish Government, of which £37.6m was drawn down during the year (2014: £40.7m). Cash of £102.0m was held at 31 March 2015, reflecting the retained bond issuance in January 2015 as well as early receipt of £14.5m of new build grant from the Scottish Government and actual expenditure for 2014/15 being £14.0m (6%) below budget for the year.

STRATEGIC REPORT (continued)

Long term debt facilities

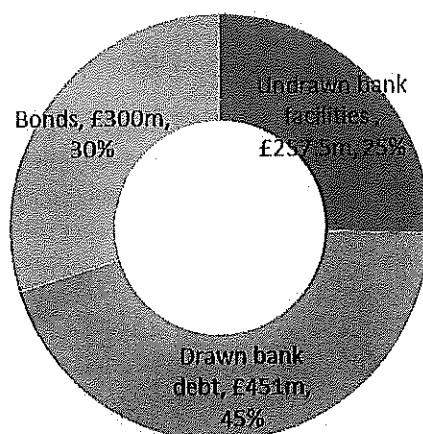
As part of the bond issuance process, the bank funding of GHA, Cube, West Lothian Housing Partnership and Loretto Housing was restructured. The individual bank loans held by each RSL (some of which were held under syndicated arrangements) were rolled over and consolidated into Wheatley Funding No. 1 Limited at Group level. Each of these RSLs now has the ability to borrow from a Group funding facility through an intra-group loan agreement with WFL1, secured by assets from the RSL Group.

At the same time a £50m real estate finance facility was also put in place for Lowther Homes Limited, funded through Wheatley Funding No.2 Limited, secured on Lowther Homes assets with the previous senior secured on-lending facility from GHA converted into an unsecured subordinated loan. At the year end this facility remained undrawn.

At 31 March 2015, the Group overall had £1,008.5m of bond and bank funding facilities in place, with WFL1 funding facilities secured on assets of certain Group RSLs and a WFL2 facility secured by assets of Lowther Homes Limited. The funding facilities in place on 31 March 2015 comprised the following:

<u>Group Co</u>	<u>Facility</u>	<u>Principal</u>
WFL1	Bond – maturity Nov 2044	£300.0m
	Commercial bank syndicated facility	£526.0m
	European Investment Bank facility	£132.5m
WFL2	Private rented sector bank finance	£ 50.0m
		£1,008.5m

One quarter (£257.5m) of borrowing facilities were undrawn at 31 March 2015.



The weighted average duration of drawn debt across the Group is 21.9 years. Under the Group Treasury Management Policy, the Group structures its business plan and future fundraising activities such that it will not have to refinance material amounts of debt in any one year. None of the Group's loan facilities need to be refinanced over the next five years. The only

STRATEGIC REPORT (continued)

re-financing risk in year six relates to £50m of bank loan facilities for the Group's commercial subsidiary, Lowther Homes, based on typical market terms for commercial debt. The historic weighted average cost of drawn debt, inclusive of margins and hedging activities, was 4.98% at 31 March 2015 on an annual effective rate basis (2014: 4.48%).

The principal cash outflows were operating costs and investment in assets, particularly in development of new housing stock of £71.9m (2014: £25.2m) and investment in existing stock of £51.8m (2014: £72.9m).

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 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 2015, all cash investments are held with counterparties who meet the criteria of the Group Treasury Management Policy, and are rated Fitch F1/Moody's P-1/S&P A-1 (short term) or Fitch A+/Moody's A1/S&P A+ (long term).

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 70% across the term of the debt. At 31 March 2015, all WFL1 borrowings were at fixed rates. This was due to the Group completing a funding restructure in November 2014, which included repaying variable rate bank loans and replacing these with capital markets bond funding. Over time, the proportion of variable rate funding is projected to rise again; while the Group will benefit from locking in low fixed rates on the bonds over the medium to long term.

In respect of bank loans, the Group hedges against interest rate risk through the use of embedded hedges within its facilities, the terms of which permit all such loans to be classified as "basic" financial instruments under FRS 102. At 31 March 2015 the Group had no stand-alone swap arrangements.

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.

STRATEGIC REPORT (continued)

Operational performance

Registered Social Landlords ("RSLs")

Underlying the financial performance was a strong operating performance. The 2014/15 Annual Return on the Scottish Social Housing Charter ("ARC") showed that void property levels, arrears and bad debts were all down and in the top quartile of performance in Scottish terms. Looking wider, the most recent benchmarking exercise from Housemark shows GHA to be in the top quartile on these measures across its UK peer group.

GHA, Cube, Loretto and West Lothian Housing Partnership all increased their number of top quartile performance indicators. As measured by the Scottish Housing Regulator, around half of all GHA and WLHP indicators are now in the top quartile.

Customer satisfaction was also strong, with GHA's overall customer satisfaction standing at 90.6% and WLHP's 88.5%. Cube and Loretto reported overall satisfaction of 86.0% and 83.4% respectively. All Group RSLs reported rent collection levels of over 99.6%.

Care and support

Loretto's tenancy support service reported strong results, with 88% of customers receiving the service reporting they could now manage their tenancies and 94% saying they could take better care of themselves.

Commercial subsidiaries

For the second consecutive year, YourPlace returned over £0.9 million in Gift Aid to the Group, to be invested back into our communities. The diversification and development of the customer base received a major boost when the company was awarded the contract to factor 700 homes in the Commonwealth Games Village in Dalmarnock, Glasgow.

The excellent business performance of Lowther Homes, which has a growing portfolio of 478 owned and managed properties, ranged from an average of 16.4 days to let a home, against a target of 27, to rent arrears of just 0.78%, against a target of 1%.

How we compare – finance and performance

The following performance summary table shows that in the areas where we choose to prioritise investment – such as improving the fabric of our customers' homes and the environment around them – we are investing more than many of our UK peers. This is one element of our approach to achieving strong customer satisfaction levels of over 90%, but it also delivers financial benefits through a strengthening of the value of our asset base.

STRATEGIC REPORT (continued)

Benchmarking of GHA operating and financial performance

GHA Efficiency Summary						
Based on peer group of 18 UK organisations selected by Housemark						
Business activity	Cost KPI	Cost KPI 2013/14	Quality KPI	Quality KPI 2014/15	Quality KPI 2013/14	2013/14 Quartile (where available)
Overheads	Overhead costs as % direct revenue costs	8 th lowest of 18	Percentage reduction in real terms management costs per unit from prior year (WHG overall)	0%	17%	N/A
Major works & cyclical maintenance	Cost per property of major works & cyclical maintenance	£3,020 per unit – highest of 18 in peer group	Percentage of tenants satisfied with the overall quality of their home (GN & HfOP*)	92%	92%	★
			Scottish Housing Quality Standard compliance	96%	93%	N/A
Responsive repairs & void works	Cost per property of responsive repairs & void works	4 th lowest of 18	Percentage of tenants satisfied with repairs and maintenance (GN & HfOP*)	88%	88%	N/A
			Void loss percentage	0.3%	0.5%	★
			Average number of calendar days taken to complete (non-emergency) repairs	6.5	7.3	★
			Average re-let time in days (standard re-lets)	14.4	19.6	★
Housing management	Cost per property of housing management	7 th lowest of 18	Percentage of tenants satisfied with the service provided (GN & HfOP*)	91%	91%	★
			No. of successfully resolved anti-social behaviour cases within target timescales	87%	88%	★
			Current tenant rent arrears as % of rent due	2.4%	2.6%	★
Estate services	Cost per property of estate/environmental services	£450 per unit – highest investment level of 18 in peer group	Percentage of tenants satisfied with their neighbourhood as a place to live (GN & HfOP*)	90%	90%	N/A

Notes:

- GHA rather than whole Group analysed by Housemark; cost and quality quartile comparators are based on 2013/14 benchmarking result (most recent available) wherever a consistent comparison is possible with the measurement basis used by English Registered Providers
- Performance measures are derived from Scottish Social Housing Charter annual return for 2014/15 unless stated (void and arrears adjusted from annual accounts figures to underlying basis per Scottish Housing Regulator guidance)

*General Needs & Housing for Older People

	Upper Quartile	Middle Upper	Median	Middle Lower	Lower Quartile
Valid dataset	★	☉	○	☾	●

STRATEGIC REPORT (continued)

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Alastair MacNish', with a stylized flourish at the end.

Alastair MacNish OBE, Chair
26th August 2015

DIRECTORS' REPORT

The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2015.

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, since Dunedin Canmore Housing and Dunedin Canmore Enterprise joined the Group after the year-end, include five Registered Social Landlords and three commercial subsidiaries. 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. The Group undertook an independent review of its governance during the year, facilitated by independent expert advisors. As part of the review the independent expert advisors made recommendations as to how we could further strengthen our governance. The recommendations have all since been implemented. As part of the review, it was independently verified that the Group complies with the SHR's Regulatory Framework and Standards of Governance.

As at 31 March 2015, the company's Articles of Association allowed for the appointment of up to fourteen directors as follows:

- Up to seven Non-Executive Directors
- Up to two GHA Nominated Directors
- Up to four Co-opted Directors
- Up to one 'Other' Director

The Directors of the Group Board from 1 April 2014 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:

Group board membership details, remuneration during the year and meeting attendance

Name	Group Board	Audit Committee	Remuneration, Appointments, Appraisals and Governance Committee	Strategic Development Committee	Attendance at Group Board meetings
Alastair Dempster £15,000	Chair (to 31 March 2015)	•	Chair (to 31 March 2015)	Chair (to 31 March 2015)	8/8
Alastair MacNish £8,000	Chair (from 1 April 2015)	•	Chair (from 1 April 2015)	Chair (from 1 April 2015)	7/8

DIRECTORS' REPORT (continued)

Name	Group Board	Audit Committee	Remuneration, Appointments, Appraisals and Governance Committee	Strategic Development Committee	Attendance at Group Board meetings
Martin Armstrong*	•				8/8
Mike Blyth £8,000	•	Chair	•	•	5/8
Ronnie Jacobs £8,000	•			•	7/8
Gordon Sloan £8,000	•	•	•	•	5/8
Elizabeth Walford £8,000	•	•		•	7/8
John Grant -	•				2/3
Lesley McInnes £6,000	•	•			3/5
Sheila Gunn £8,000	•	•		•	7/8
Margaret Dunlop £8,000	•				8/8
Pauline Hamilton £3,400	•				4/4
Kate Willis £3,400	•				3/3
Jo Armstrong -	•	•		•	N/A
Peter Kelly -	•	•			N/A
John Fletcher -	•				N/A

Notes

*No additional remuneration to that disclosed in note 7 to the financial statements

In relation to the Group Board:

Alastair Dempster resigned on 31 March 2015
 John Grant resigned on 25 September 2014
 Lesley McInnes resigned on 17 December 2014
 Pauline Hamilton and Kate Willis joined on 29 October 2014
 Peter Kelly joined on 1 May 2015
 Jo Armstrong joined on 24 June 2015
 John Fletcher joined on 30 June 2015

DIRECTORS' REPORT (continued)

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

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;
- defining and ensuring compliance with our values and objectives as a registered social landlord; and
- approving each year's Group financial statements.

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

- restructuring the Group capital structure and issuing the own name bond
- strategic review of the Group's governance arrangements
- initiating a review of the Group strategy
- agreeing a partnership with the Dunedin Canmore Group
- oversight of partner financial and operational performance
- succession planning for the Chairman

The Board has Appraisal and Succession Planning policies in place to monitor the effectiveness of Directors and ensure that we have the appropriate level of renewal on the Group Board. The Board is due to initiate its next appraisal during the 2015 calendar year.

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 6 members from the Group Board. The Committee is responsible for:

- reviewing the Group's system of internal control, compliance assurance and risk management system;
- providing an overview of the internal and external audit functions;
- scrutinising the financial statements;
- appointing and agreeing the remuneration of external auditors;
- monitoring the implementation of internal audit recommendations and external audit reports and management letters;
- 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:

- Oversight of the 2013/14 financial statements
- Assessing the impact of FRS 102 on the Group
- Approving the Group's 3 year strategic assurance plan
- Introducing a Group care assurance framework
- Reviewing the effectiveness of the Group's risk management framework

DIRECTORS' REPORT (continued)

- Reviewing the impact of new funding structure on internal assurance and compliance requirements

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 5 members inclusive of the Group Chair, Vice-Chair, and the Chairs of GHA and the Group Audit Committee.

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;
- evaluation 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
- based on reports and advice from the Group Chief Executive determining the remuneration and conditions of the Executive Team.

The main activities of the Remuneration, Appointments, Appraisals and Governance Committee during the year were:

- Oversight of the review of governance on behalf of the Board
- Development of recommendations to the Board in respect of the Group's governance framework
- Review of the Group's pensions strategy
- Oversight of the Group's Board member recruitment
- Agreement of the Group's approach to Board appraisal

The Committee reports to the main Board via its Chair.

Group Strategic Development Committee

The Committee is made up of up to 7 members of the Group Board.

It is responsible for reviewing the business rationale for and implementation of any new major strategic projects.

The Strategic Development Committee focused primarily on the Group's restructure of its funding arrangements during the year.

The Committee reports to the Group Board via its Chair.

DIRECTORS' REPORT (continued)

Statement of Internal 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 16 to 19.

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 controls is designed to manage risk to a reasonable level 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 based on an on-going process 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 Control

The Board of Wheatley Housing Group is responsible for ensuring that an effective system of internal control is maintained within all members of the Group. This system of internal 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 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 which are specifically reserved for approval and which 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 provide 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;

DIRECTORS' REPORT (continued)

- An Internal Audit function with an annual Internal Audit plan and producing an annual Internal Audit Report;
- Adoption of a risk-based approach to internal control through evaluating the likelihood and significance 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 function.
- 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 and Management

The Internal Audit function has a central role in the process of developing this Statement of Internal Controls. As part of Internal Audit work, reviews are directed using a risk-based approach to assess the robustness of the implementation of the Group's key system of internal control.

Internal Audit provides information on the various strengths and weaknesses on the approach we have adopted, and advises where improvements are necessary and desirable for good governance. Management across the Group are responsible for the implementation of improvements identified through the audit process.

In line with good practice, Internal Audit provides the Audit Committee with an Annual Internal Audit Report and Statement, which summarises all the work completed during 2014/15. The overall Internal Audit opinion provided in this statement is detailed below:

"Based on our work undertaken in 2014/15, reasonable assurance can be given that there is a sound system of internal control to support achievement of relevant organisational objectives."

5. Risk and Control Framework

Wheatley Housing Group recognises the importance of effective identification, evaluation and management of all key strategic and operational risks, and this is a requirement set out by the Scottish Housing Regulator's Regulatory Standards.

"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 we have considered what might go wrong with our plans, that we have analysed the consequences of things going wrong and that we have thought through the actions and controls we need to prevent or limit these consequences.

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

DIRECTORS' REPORT (continued)

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 and that strong governance arrangements are upheld by all subsidiaries to protect the reputation of the Group.

Risk Management covers the whole spectrum of risks and not just those associated with finance, health and safety, business continuity and insurance. It also includes risks associated with service provision, effectiveness and continuity, public image (reputation), compliance with legislation and regulation and environment.

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 and Strategy, 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 Executive Team is the facilitator of the Risk Management Framework and processes. Their role is to ensure that Departmental Managers comply with the Risk Management Framework including monitoring of the risk registers on Covalent, which is the Group's performance management system. This ensures that Departmental Managers keep their risk registers up to date, new and emerging risks are identified and risk scores are challenged.

Risk Management is an integral part of the culture and way we are run. Risk Management plans are incorporated and embedded into business plans of all applicable sections of 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 risks facing the Group are as follows:

Government policy:

Risk: Impact of UK Government budget 2015 on the Group business plan

Comments and mitigation: The announcement in the Chancellor's Budget Statement on 8 July 2015 of a 1% rent reduction for social landlords in England for four years does not apply to Scotland. There are no centrally-imposed rent formulae or caps in Scotland for affordable housing providers. Further, the Right to Buy has been removed under the Housing (Scotland) Act 2014, and the "pay to stay" provisions of the UK Government budget do not apply in Scotland, where housing is a devolved policy matter.

Risk: Impact of the political environment on care and support service standards

Comments and mitigation: the implementation of new legislation and budget cuts, in particular the introduction of self-directed support, can have a significant financial and service impact on the standard of care. Self-Directed Support legislation, together with the policy direction of supporting people in their own home, offers increased choice and control to people in how they

DIRECTORS' REPORT (continued)

receive their services, as individual manage their own budgets. This impact has been managed through robust risk assessment, review and improvement of existing care services and working

with people to produce a range of innovative support solutions, for example the introduction of telecare for our overnight support services. While there are challenges around our existing customer base of people at risk of mental health issues and homelessness, we have identified opportunities around the growth in the number of older people requiring support. Our aim is to ensure that Wheatley Group drives the provision of care services across Scotland to raise the standards in care.

Welfare reform:

Risk: Impact of welfare reform on income collection

Comments and risk mitigation: Devolution proposals through the new Scotland Bill will give the Scottish Parliament the power to continue payment of housing benefit directly to social landlords. This will help mitigate a significant business risk associated with Universal Credit.

Nevertheless, the Group has worked closely with local authorities and the Scottish Government to understand the impact of welfare reform and identify our customers who are most likely to be affected in the interim period before devolution of powers takes place. We have dedicated staff resources to make sure our customers are aware and prepared for any impact they may face, and our gross rent arrears have reduced during this financial year.

New staff procedures to promote effective rent collection across the Group take into consideration the impact of welfare reform and Universal Credit for our customers and facilitate early arrears management. The reduction in the benefit cap to £20,000 will have an impact on approximately 2% of our customers, and we continue to work closely with partner agencies to support our customers in sustaining their tenancies.

Business Continuity and Disaster Recovery:

Risk: Impact on service delivery due to serious loss of IT services

Comments and risk mitigation: Wheatley Group has invested in IT and is driven towards transforming services through the use of IT and communications technology. We therefore recognise the significant impact the downtime could have on our Group. We have Group back-up arrangements in place and IT disaster recovery arrangements. We are always reviewing our business continuity arrangement and we have a business continuity group which is our mechanism to identify and drive improvements through scrutinising and testing existing business continuity plans.

Development and Growth:

Risk: Growth and maximisation of development opportunities is unmanageable by the Group

Comments and risk mitigation: Our growth model is centred round the group's risk appetite. Strategic growth decisions are taken based on review against an established risk assessment, which includes cash flow, and a due diligence model. All growth opportunities are approved by the Board and Scottish Housing Regulator, as necessary. Risks related to growth are considered as they arise and we take necessary action, to mitigate specific risks on an individual basis.

DIRECTORS' REPORT (continued)

There continues to be strong Scottish Government support for the Group's development programme, with a seven year commitment to £97.1m of funding to support our bond issue in

delivering 2,800 new homes. Across the Scottish sector, benchmark levels of grant for social housing in Scotland continue to support the provision of new build housing, at £58,000, compared to the much lower level of grant available in England.

Financial Risk Management:

Risk: Securing long-term sources of liquidity to fund the Group's development programme

Comment and risk mitigation: The successful bond issue during the year changed our funding profile significantly and we implemented new group funding arrangements. Our business plan takes into account that our funding arrangements are approved by our Group and Subsidiary Boards. We have financial management arrangements in place to monitor our financial position and covenant compliance, which are reviewed by the Group Board.

Other matters:

Employees

During the year, the policy of providing employees with information about the Group has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Group's performance. Regular meetings are held between management and employees to allow a free flow of information and ideas.

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

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP has expressed its willingness to continue in office as the Group's auditors. Accordingly a resolution to reappoint them as auditors will be proposed at the forthcoming annual general meeting.

DIRECTORS' REPORT (continued)

Post balance sheet events

Partnership discussions with Dunedin Canmore Housing Association Limited were formally concluded on 30 June 2015, and Dunedin Canmore Housing Association Limited and its subsidiary Dunedin Canmore Enterprise Limited joined the Wheatley Housing Group Limited on that date.

Future developments

The Strategic Report sets out future strategic objectives and the process by which a revised Group strategy will be developed during 2015.

Statement of Directors' Responsibilities

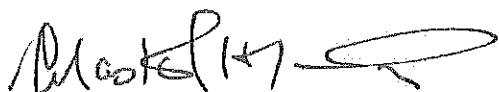
The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the company and of the profit or loss of the group and the company 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 accounting estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



Alastair MacNish OBE, Chair
26th August 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY HOUSING GROUP LIMITED

Report on the financial statements

Our opinion

In our opinion, Wheatley Housing Group Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the registered social landlord's affairs as at 31 March 2015 and of the group's and the registered provider's surplus and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended); and
- have been properly prepared in accordance with the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012.

What we have audited

The financial statements comprise:

- the group and company statements of financial position as at 31 March 2015;
- the group and company statements of comprehensive income and the group cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the registered provider, or returns adequate for our audit have not been received from branches not visited by us; or

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY HOUSING GROUP LIMITED (continued)

- the registered social landlord's financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the registered social landlord's members as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, Chapter 3 of Part 16 of the Companies Act 2006 and section 69 of the Housing (Scotland) Act 2010 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended)) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

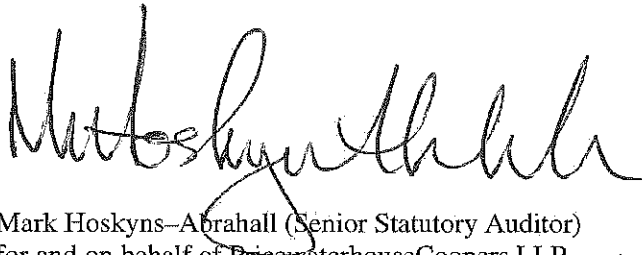
- whether the accounting policies are appropriate to the group's and the registered provider's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY HOUSING GROUP LIMITED (continued)

In addition, we read all the financial and non-financial information in the Strategic report and Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Mark Hoskyns-Abrahall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

26 August 2015

- (a) The maintenance and integrity of the Group's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**GROUP STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £ 000	2014 restated £ 000
Turnover	3	252,183	237,106
Operating expenditure	3	(217,553)	(205,235)
Other income and gains	9	8,237	26,770
Operating surplus		42,867	58,641
Gain on disposal of fixed assets	10	2,183	2,306
Finance income	11	269	72
Finance charges	12	(35,539)	(29,939)
Movement in fair value of financial instruments		2	(48)
Reversal of previous decrease in valuation of social housing properties		-	105,054
Surplus on ordinary activities before taxation		9,782	136,086
Taxation	13	(34)	194
Surplus for the year		9,748	136,280
Unrealised (deficit)/surplus on the valuation of housing properties	16	(2,952)	74,135
Actuarial gain/(loss) in respect of pension schemes	24	64,385	(9,269)
Total comprehensive income for the year		71,181	201,146

All amounts relate to continuing operations. Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS 102 (Note 28).

The notes on pages 34 to 67 form part of these financial statements.

**COMPANY STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £ 000	2014 £ 000
Turnover	3	26,320	14,919
Operating expenditure	3	(26,297)	(14,919)
Operating surplus		23	-
Finance income		-	-
Finance charges		-	-
Surplus on ordinary activities before taxation		23	-
Taxation on surplus for the year	13	(23)	-
Surplus for the year		-	-
Total comprehensive income for the year		-	-

All amounts relate to continuing operations.

The notes on pages 34 to 67 form part of these financial statements.

GROUP STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	<i>Notes</i>	2015 £000	2014 restated £000
Fixed assets			
Social housing properties	16	1,176,864	1,099,962
Other tangible fixed assets	17	22,644	22,067
Investment property	18	64,456	53,872
		<u>1,263,964</u>	<u>1,175,901</u>
 Pension asset	 25	 10,684	 -
Current assets			
Trade and other debtors	19	146,144	169,003
Cash and cash equivalents		101,996	30,904
		<u>248,140</u>	<u>199,907</u>
Creditors: amounts falling due within one year	20	(97,312)	(91,493)
Net current assets		<u>150,828</u>	<u>108,414</u>
 Total assets less current liabilities		 1,425,476	 1,284,315
 Creditors: amounts falling due after more than one year	21	 (762,878)	 (618,211)
		<u>662,598</u>	<u>666,104</u>
Provisions for liabilities			
Pension liability	25	(7,831)	(57,484)
Provision for other liabilities	22	(117,262)	(142,296)
Total net assets		<u>537,505</u>	<u>466,324</u>
Reserves			
Share capital	23	-	-
Revenue reserve excluding pension reserve		463,469	449,673
Pension reserve	25	2,853	(57,484)
Revenue reserve including pension reserve	24	466,322	392,189
Revaluation reserve	24	71,183	74,135
Total reserves		<u>537,505</u>	<u>466,324</u>

The comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS 102 (Note 28).

These financial statements were approved by the Board on 26th August 2015 and were signed on its behalf by:



Alastair MacNish
Chair

The notes on pages 34 to 67 form part of these financial statements.

**COMPANY STATEMENT OF FINANCIAL
 POSITION AT 31 MARCH 2015**

	<i>Notes</i>	2015 £000	2014 £000
Fixed assets			
Tangible fixed assets	17	9,074	-
Debtors: amounts falling due within one year	19	3,374	1,778
Creditors: amounts falling due within one year	20	(6,465)	(1,778)
Net current liabilities		<u>(3,091)</u>	<u>-</u>
Total assets less current liabilities		5,983	-
Creditors: amounts falling due after more than one year	21	(5,983)	-
Total net assets		<u>-</u>	<u>-</u>
Reserves			
Share capital	23	-	-
Total reserves		<u>-</u>	<u>-</u>

These financial statements were approved by the Board on 26th August 2015 and were signed on its behalf by:



Alastair MacNish
 Chair

The notes on pages 34 to 67 form part of these financial statements.

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	<i>Notes</i>	2015 £000	2014 restated £000
Net cash generated from operating activities	27	45,365	39,422
Cash flow from investing activities			
Improvement of properties	16	(51,836)	(72,916)
Construction of new properties	16	(71,863)	(25,217)
Purchase of other fixed assets	17	(6,468)	(15,079)
Purchase of investment properties	18	(2,347)	(4,916)
Right-to-buy proceeds	10	6,317	4,257
Grants received	21	37,619	40,739
Finance income	11	269	72
		(88,309)	(73,060)
Cash flow from financing activities			
Finance charges		(30,880)	(26,549)
Cash obtained through acquisition		-	3,895
Proceeds from issue of bonds		305,690	-
Bank loan drawn down		62,000	75,521
Repayments of bank loans		(218,116)	-
Taxation		(25)	-
		118,669	52,867
Net change in cash and cash equivalents		75,725	19,229
Cash and cash equivalents at 1 April		25,039	5,810
Cash and cash equivalents at 31 March		100,764	25,039
Cash and cash equivalents at 31 March			
Cash		101,996	30,904
Bank overdraft		(1,232)	(5,865)
		100,764	25,039

The notes on pages 34 to 67 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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 Company was incorporated on 13 June 2012. 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 2012, and under the historical cost accounting basis, modified to include the revaluation of properties held for letting 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. The Group has elected to adopt FRS 102 and the SORP 2014 early and the Statement of Financial Position has been restated accordingly. The effect of these restatements is shown in Note 28.

The financial statements have been prepared on a going concern basis after consideration of the future prospects for the Group and the preparation of long term financial forecasts and plans which include an assessment of the availability of funding and the certainty of cash flow from the rental of social housing stock.

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 properties and in the assessment of the fair value of financial instruments. In 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.

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 March 2015. Profits or losses on intra-group transactions are eliminated in full in accordance with FRS 102.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (continued)

New subsidiaries joining the Group are accounted for using acquisition accounting. 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.

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.

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. The adoption of the SORP 2014 changed the accounting for grant income and required a restatement of the prior period results. The effects of these restatements are shown in Note 28.

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

Loans provided to some subsidiary members of the Group by its lenders through the subsidiary, Wheatley Funding No. 1 Limited ("WFL1"), are classed as basic under the requirements of FRS 102, and are measured at amortised cost. In the case of payment arrangements that exist with customers, these are deemed to constitute financing transactions and are measured at the present value of the future payments discounted at a market rate of interest applicable to similar debt instruments.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (continued)

disrupting the business and are readily convertible into known amounts of cash at or close to their carrying values.

Pensions

Glasgow Housing Association participates in a defined benefit pension scheme arrangement with the Strathclyde Pension Fund ("the Fund"). The Fund is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended. The Fund provides benefits based on final pensionable pay, which is contracted out of the State Second Pension. Assets and liabilities of the Fund are held separately from those of the Association.

Glasgow Housing Association accounts for its 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 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. Glasgow Housing Association's share of the Fund surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the Fund surplus / deficit is split between operating charges, finance items and in the statement of comprehensive income under actuarial gain or loss on pension schemes.

Cube Housing Association, West Lothian Housing Partnership, Loretto Housing Association and Loretto Care 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 Cube and West Lothian members transferring on 1 September 2014. Retirement benefits to employees 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.

During the year, a new Group defined contribution scheme arrangement was made available to employees in certain subsidiaries of the Group.

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

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 until 2017, 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.

• **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:

	Economic Life
Land	n/a
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

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.

• **New Build**

Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties when ready for letting or sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (continued)

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.

Fixed assets - non-housing properties

The Group owns a number of non-housing properties. The Group applies the same capitalisation and component life approach as stated under Fixed assets – social housing properties unless otherwise stated below.

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.

Housing Association Grant and other capital grants

Housing Association Grant ("HAG") is received from central government and local authorities and is utilised to subsidise the costs of housing properties.

HAG 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. HAG 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

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:

	Economic Life
Office premises	40 yrs
Combined Heat and Power plant	30 yrs
Furniture, fittings and office equipment	5 to 7 yrs
Computer equipment	3 to 4 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, Glasgow Housing Association, Cube Housing Association, West Lothian Housing Partnership, Loretto Housing Association and Loretto Care are exempt from corporation tax on their charitable activities by virtue of Section 505(1) Income & Corporation Taxes Act 1988 and from capital gains tax by virtue of Section 145 Capital Gains Tax Act 1979. 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.

There is no provision required for deferred tax.

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. VAT on Glasgow Housing Association refurbishment works expenditure included in the development works agreement with Glasgow City Council is substantially recoverable. Expenditure on these works is shown net of VAT.

Development Agreement

Glasgow Housing Association has entered into agreements with Glasgow City Council whereby the undertaking of catch-up repairs and improvement works remained with the City Council, with that obligation sub-contracted to Glasgow Housing Association. This has been shown on the Group's Statement of Financial Position as a debtor offset by a provision of an equal amount. As work progresses, both amounts will be reduced by the appropriate amount.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

3. Particulars of turnover, operating costs and operating surplus

Group	2015			2014	
	Turnover £ 000	Operating Costs £ 000	Other income and gains £ 000	Operating surplus/ (deficit) £ 000	Operating surplus/ (deficit) restated £ 000
Social lettings (note 4)	216,808	(153,272)	-	63,536	63,745
Other activities (note 5)	35,375	(64,281)	-	(28,906)	(31,874)
Other income and gains (note 9)	-	-	8,237	8,237	26,770
Total	252,183	(217,553)	8,237	42,867	58,641
Total for previous reporting period (restated)	237,106	(205,235)	26,770	58,641	-

Company	2015			2014
	Turnover £ 000	Operating Costs £ 000	Operating surplus £ 000	Operating surplus/ (deficit) £ 000
Social lettings (note 4)	-	-	-	-
Other activities (note 5)	26,320	(26,297)	23	-
Total	26,320	(26,297)	23	-
Total for previous reporting period	14,919	(14,919)	-	-

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

4. Particulars of turnover, operating costs and operating surplus from social letting activities

Group	General Needs	Supported Housing	Shared Ownership	2015 Total	2014 Total restated
	£ 000	£ 000	£ 000	£ 000	£ 000
Rent receivable net of service charges	166,110	5,368	88	171,566	164,023
Service charges	3,783	420	2	4,205	4,134
Gross income from rents and service charges	169,893	5,788	90	175,771	168,157
Less rent losses from voids	(1,092)	(88)	-	(1,180)	(1,399)
Net income from rents and service charges	168,801	5,700	90	174,591	166,758
Grants released from deferred income	39,282	651	-	39,933	16,672
Revenue grants from Scottish Ministers	2,243	41	-	2,284	24,770
Other revenue grants	-	-	-	-	-
Total turnover from social letting activities	210,326	6,392	90	216,808	208,200
Management and maintenance administration costs	51,594	1,569	14	53,177	52,352
Service costs	5,249	455	2	5,706	5,306
Planned and cyclical maintenance including major repairs costs	23,445	770	-	24,215	23,413
Reactive maintenance costs	28,511	946	-	29,457	28,373
Bad debts – rents and service charges	976	63	-	1,039	1,035
Depreciation of social housing	37,934	1,713	31	39,678	33,976
Operating costs from social letting activities	147,709	5,516	47	153,272	144,455
Operating surplus from social lettings	62,617	876	43	63,536	63,745
Operating surplus from social lettings for the previous reporting period (restated)	58,193	5,422	130	63,745	

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

The disclosure of turnover, operating costs and operating surplus from affordable letting activities reflects the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

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	2015 Operating Surplus /(Deficit) £ 000	2014 Operating Surplus /(Deficit) restated £ 000
Wider role activities to support the community	-	953	-	953	(14,882)	(13,929)	(18,060)
Care activities	-	11,802	-	11,802	(11,417)	385	(424)
Factoring	-	10,682	-	10,682	(9,669)	1,013	1,129
Investment Property	-	5,104	-	5,104	(1,641)	3,463	3,288
Support activities	-	-	1,775	1,775	(2,416)	(641)	(764)
Owners' improvement activities	-	3,125	-	3,125	(3,913)	(788)	(250)
Demolition activities	-	-	-	-	(8,028)	(8,028)	(9,110)
Other income	-	1,934	-	1,934	(118)	1,816	3,315
Depreciation – Non Social Housing Organisation	-	-	-	-	(6,105)	(6,105)	(4,571)
Restructuring	-	-	-	-	(5,295)	(5,295)	(4,112)
Development & Construction of Property Activities	-	-	-	-	(797)	(797)	(2,315)
Total from other activities	-	33,600	1,775	35,375	(64,281)	(28,906)	(31,874)
Total from other activities for the previous reporting period (restated)	4,656	22,731	1,519	28,906	(60,780)	(31,874)	

Company

	Grants From Scottish Ministers £ 000	Other Revenue £ 000	Supporting People Income £ 000	Total Turnover £ 000	Total Operating Costs £ 000	2015 Operating Surplus £ 000	2014 Operating Surplus /(Deficit) £ 000
Provision of Group services	-	26,320	-	26,320	(26,297)	23	-
Total from other activities	-	26,320	-	26,320	(26,297)	23	-

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

6. Board members' emoluments

Board members received emoluments of £83,800 (2014: £50,250) in respect of their services to Wheatley Housing Group Limited. These amounts are fully recharged to operational subsidiaries. Emoluments were paid to the following Board members.

	2015	2014
	£	£
Alastair Dempster	15,000	8,250
Mike Blyth	8,000	5,500
Ronnie Jacobs	8,000	5,500
Alastair MacNish	8,000	5,500
Gordon Sloan	8,000	5,500
Elizabeth Walford	8,000	5,500
Lesley McInnes (part year)	6,000	5,500
Sheila Gunn	8,000	5,500
Margaret Dunlop	8,000	3,500
Kate Willis (part year)	3,400	-
Pauline Hamilton (part year)	3,400	-
	<u>83,800</u>	<u>50,250</u>

In addition, £3,617 (2014: £2,754) was paid to Board members for reimbursement of expenses.

7. Officers' emoluments

	2015	2014
	£'000	£'000
Aggregate emoluments payable to senior officers (including pension contributions and benefits in kind)	1,132	1,007
Emoluments payable to the Chief Executive (excluding pension contributions)	241	216
Pension contributions paid on behalf of the Chief Executive	41	40

During the periods the senior officers' emoluments (excluding pension contributions) fell within the following band distributions:

More than £60,000 but not more than £70,000	-	1
More than £70,000 but not more than £80,000	-	1
More than £90,000 but not more than £100,000	-	1
More than £110,000 but not more than £120,000	-	1
More than £130,000 but not more than £140,000	3	1
More than £140,000 but not more than £150,000	1	1
More than £150,000 but not more than £160,000	-	1
More than £160,000 but not more than £170,000	1	-
More than £210,000 but not more than £220,000	-	1
More than £240,000 but not more than £250,000	1	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

The senior officers are defined for this purpose as the Chief Executive and any person reporting directly to the Chief Executive earning at the rate of over £60,000 per annum. Senior officers' duties extend across the Group.

The senior officers are eligible to join the pension scheme of the Group subsidiary by which they are employed and employer's contributions are paid on the same basis as other members of staff.

All six senior officers were in post for the full year.

8. Employees

In the year to 31 March 2015, the average full time equivalent number of employees of the Group, including senior officers, was 2,034 (2014: 1,755). Employee cost and number comparatives include staff employed by West Lothian Housing Partnership Limited, Loretto Housing Association Limited and Loretto Care from the date of joining the Group. No staff are directly employed by the Company.

Group	2015	2014 restated
	£ 000	£ 000
Staff costs (for the above persons)		
Wages and salaries	54,731	51,716
Social security costs	4,371	4,207
Employer's pension costs	9,177	7,162
	<u>68,279</u>	<u>63,085</u>

9. Other income and gains

	2015	2014 restated
	£000	£000
Gain on revaluation of investment property:	8,237	4,926
West Lothian Housing Partnership Limited:		
Fair value of net assets acquired	-	5,886
Consideration	-	-
Gain on business combination	<u>-</u>	<u>5,886</u>
Loretto Housing Association Limited:		
Fair value of net assets acquired	-	15,958
Consideration	-	-
Gain on business combination	<u>-</u>	<u>15,958</u>
Total other income and gains	<u>8,237</u>	<u>26,770</u>

West Lothian Housing Partnership and Loretto Housing Association joined the Group during the prior year within the normal course of the Group's operations, with no fundamental reorganisation or restructuring occurring as a result. In accordance with FRS 102, the gain arising on business combination is therefore recognised within operating surplus.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

10. Gain on disposal of fixed assets

This represents net income from the sale of properties under tenants' Right-to-Buy ("RTB") entitlement and from Shared Ownership sales. Sales were made in Glasgow Housing Association and Cube Housing Association.

Group	2015	2014
	£ 000	£ 000
Right-to-Buy		
Proceeds from disposal of properties	6,290	4,128
Value of properties disposed	<u>(4,113)</u>	<u>(1,889)</u>
Surplus on sale of fixed assets	<u>2,177</u>	<u>2,239</u>
Shared Ownership Properties		
Proceeds from disposal of properties	27	129
Value of properties disposed	<u>(21)</u>	<u>(62)</u>
Surplus on sale of fixed assets	<u>6</u>	<u>67</u>
Total gain on disposal of fixed assets	<u>2,183</u>	<u>2,306</u>

11. Finance income

Group	2015	2014
	£000	restated £000
Bank interest receivable on deposits in the year	<u>269</u>	<u>72</u>
Total	<u>269</u>	<u>72</u>

12. Finance charges

Group	2015	2014
	£000	restated £000
Interest payable	30,387	24,540
Other financing costs	2,649	3,324
Net cost on pension	<u>2,503</u>	<u>2,075</u>
Total	<u>35,539</u>	<u>29,939</u>

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

Interest of £1.6m (2014:£0.7m) has been capitalised at a weighted average interest rate of 4.98%.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

13. Tax on surplus on ordinary activities

Group	2015	2014
	£000	£000
Corporation tax:		
UK Corporation Tax on income for the year	(3)	13
Adjustments in respect of prior years	19	(207)
Adjustments in respect of prior years – group tax relief	18	-
	<u>34</u>	<u>(194)</u>
Company	2015	2014
	£000	£000
Corporation tax:		
UK Corporation Tax on income for the year	5	-
Adjustments in respect of prior years	18	-
	<u>23</u>	<u>-</u>

The charitable status of Glasgow Housing Association, Cube Housing Association, West Lothian Housing Partnership and Loretto Housing Association 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.

Factors affecting the tax charge/(credit) for the current period

Group	2015	2014
	£000	restated £000
Current tax reconciliation		
Surplus on ordinary activities of group undertakings	9,782	136,086
Current Tax at 21% (2014: 23%)	2,054	31,300
Effects of:		
Charitable surpluses not subject to tax	(262)	(31,476)
Qualifying charitable donations	(1,795)	189
Under/(over) provision in prior year	19	(207)
Adjustment in respect of prior years – group tax relief	18	-
	<u>34</u>	<u>(194)</u>
Total current tax charge/(credit)	<u>34</u>	<u>(194)</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

Company	2015	2014
	£000	£000
Current tax reconciliation		
Surplus on ordinary activities	23	-
Current Tax at 21% (2014: 23%)	5	-
Effects of:		
Charitable surpluses not deductible for tax purposes	-	-
Charitable donation against prior period liabilities	-	-
Under/(over) provision in prior year	18	-
	<hr/>	<hr/>
Total current tax charge/(credit)	23	-

14. Auditors' remuneration

	2015	2014
	£000	£000
The remuneration of the auditors (excluding VAT) is as follows:		
Audit of these financial statements	26	15
Audit of financial statements of subsidiaries pursuant to legislation	154	118
Other audit related services	68	54
Other services	19	12

15. Financial commitments

Capital commitments

All capital commitments of the Group were as follows:

Group	2015	2014
	£000	£000
Expenditure contracted for, but not provided in the financial statements	40,954	59,792
Expenditure authorised by the Board but not contracted	67,665	23,738
	<hr/>	<hr/>
	108,619	83,530

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

Operating leases

At 31 March 2015 the Group had commitments under non-cancellable operating leases as follows; the company had no such commitments:

Group	2015	2015	2014	2014
	Land and Buildings	Other	Land and Buildings restated	Other restated
	£000	£000	£000	£000
Operating leases that expire:				
Within one year	1,380	494	1,434	560
In the second to fifth years inclusive	3,469	303	4,201	98
Over five years	1,257	-	1,402	-
	6,106	797	7,037	658

Lease commitments have been restated under FRS 102 to include the timing of the full payment due under contract.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

16. Fixed assets – Social Housing Properties

Group	Core Stock £ 000	Housing Under Construction £ 000	Shared Owner- ship £ 000	Total £ 000
At Valuation				
At 1 April 2014 (restated)	1,070,055	27,902	2,005	1,099,962
Additions	51,836	71,863	-	123,699
Disposals	(4,463)	(33)	(22)	(4,518)
Transfers	41,358	(41,244)	(114)	-
Revaluation	(42,344)	-	65	(42,279)
At 31 March 2015	1,116,442	58,488	1,934	1,176,864
Depreciation				
At 1 April 2014	-	-	-	-
Charge for year	(39,640)	-	(31)	(39,671)
Disposals	343	-	1	344
Revaluation	39,297	-	30	39,327
At 31 March 2015	-	-	-	-
Net Book Value - valuation				
At 31 March 2015	1,116,442	58,488	1,934	1,176,864
At 31 March 2014 (restated)	1,070,055	27,902	2,005	1,099,962
Net Book Value – historic cost equivalent				
At 31 March 2015	1,456,178	58,488	1,561	1,516,227
At 31 March 2014	1,407,661	27,902	1,510	1,437,073

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 £1.6m (2014: £0.7m). Interest has been capitalised at the weighted average interest cost for the Group of 4.98%

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 2015/16. The demolition programme identifies 1,336 properties for demolition over the next few years, with no long term investment expenditure associated with these properties.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

Demolition programme stock has a negative valuation for accounting purposes due to the impact of demolition costs on the 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.

Social housing properties have been valued by Jones Lang LaSalle, an independent professional advisor 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 RCIS at 31 March 2015 on an Existing Use Valuation for Social Housing ("EUV-SH"). A discount rate of between 5.75%-8.00% (2014: between 6.0% -6.5%) was used for retained stock dependant on the archetype. The valuation assumes a rental income increase of RPI + 0.5% for retained stock from 2016/17 in line with the Group's 30-year Business Plan. 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.

During the year the Group disposed of 166 properties (2014: 121 properties) to tenants under RTB entitlements. These properties were valued at £4.134m during the year (2014: £1.951m).

The number of units of social housing accommodation owned and managed (excluding unlettable voids) by the Group at 31 March 2015 is shown below:

	2015	2014 restated
Social Housing		
General needs	42,472	42,666
Shared ownership	46	50
Supported housing	1,324	1,335
 Housing held for long-term letting	43,842	44,051
 Housing approved/planned for demolition	1,336	2,222
Total Units	45,178	46,273

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

17. Fixed assets - other tangible fixed assets

Group	Office Premises £ 000	Combined Heat and Power £ 000	Furniture, fittings and equipment £ 000	Computer Equipment £ 000	Total £ 000
Cost					
At 1 April 2014 (restated)	2,615	4,932	21,567	30,327	59,441
Additions	346	-	2,908	3,214	6,468
Disposals	-	-	(2,024)	(1,413)	(3,437)
At 31 March 2015	2,961	4,932	22,451	32,128	62,472
Depreciation					
At 1 April 2014	(884)	(2,641)	(11,338)	(22,511)	(37,374)
Charge for year	(100)	(80)	(2,459)	(3,466)	(6,105)
Disposals	-	-	2,241	1,410	3,651
At 31 March 2015	(984)	(2,721)	(11,556)	(24,567)	(39,828)
Net Book Value					
At 31 March 2015	1,977	2,211	10,895	7,561	22,644
At 31 March 2014 (restated)	1,731	2,291	10,229	7,816	22,067

Company	Furniture, fittings and equipment £ 000	Computer Equipment £ 000	Total £ 000
Cost			
At 1 April 2014	-	-	-
Additions	6,111	2,963	9,074
Disposals	-	-	-
At 31 March 2015	6,111	2,963	9,074
Depreciation			
At 1 April 2014	-	-	-
Charge for year	-	-	-
Disposals	-	-	-
At 31 March 2015	-	-	-
Net Book Value			
At 31 March 2015	6,111	2,963	9,074
At 31 March 2014	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

18. Investment properties

Group	Properties held for market rent £ 000	Commercial properties £'000	Total £'000
Valuation			
At 1 April 2014 (restated)	33,379	20,493	53,872
Additions	2,166	181	2,347
Revaluation	8,237	-	8,237
At 31 March 2015	43,782	20,674	64,456
Net Book Value			
At 31 March 2015	43,782	20,674	64,456
At 31 March 2014 (restated)	33,379	20,493	53,872

Market rent properties were valued at market value subject to tenancy (MV-T) by an independent professional adviser, Jones Lang LaSalle, on 31 March 2015.

The number of properties held for market rent by the Group at 31 March 2015 were:

	2015	2014
Market Rent Properties		
Total Units	478	381

Commercial properties were valued by an independent professional advisor, Ryden Property Consultants, on 31 March 2012 in accordance with the appraisal and valuation manual of the RICS. Commercial properties are subject to valuation at least every five years.

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.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

19. Debtors

	2015	2014
Group	£ 000	restated £ 000
Due in more than one year:		
Development agreement	116,277	141,148
Other debtors	353	461
	116,630	141,609
Due within one year:		
Arrears of rent and service charges	11,952	13,054
Adjustment to discount arrears balances with payment plans	(111)	(116)
Less: provision for bad and doubtful debts	(3,049)	(4,244)
	8,792	8,694
Prepayments and accrued income	6,899	1,196
Other debtors	13,823	17,504
	146,144	169,003
Total	146,144	169,003

Included in debtors is a balance of £116.3m (2014: £141.1m) in respect of the expected cost of the development work that Glasgow City Council has committed to undertake in order to refurbish the properties. The Council has sub-contracted Glasgow Housing Association to carry out the programme of catch-up repairs to the residential accommodation as part of a development agreement. This balance relates to the identical provision in the accounts for this expenditure (note 22) and as work progresses both of these balances will be utilised when the work is actually undertaken.

	2015	2014
Company	£ 000	£ 000
Due within one year:		
Prepayments and accrued income	839	-
Other debtors	391	-
Amounts due from Group undertakings	2,144	1,778
	3,374	1,778
Total	3,374	1,778

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

20. Creditors: amounts falling due within one year

Group	2015 £ 000	2014 restated £ 000
Amounts falling due within one year:		
Trade creditors	7,350	4,713
Accruals	33,101	20,955
Deferred income	38,937	41,310
Rent and service charges received in advance	6,639	5,729
Salaries, wages, other taxation and social security	2,329	1,676
Corporation tax	22	14
Bank loans	-	870
Bank overdraft	1,232	5,865
Other creditors	7,702	10,361
Total	97,312	91,493

Company	2015 £ 000	2014 £000
Amounts falling due within one year:		
Trade creditors	340	-
Accruals	1,837	-
Corporation tax payable	5	-
Amounts due to Group undertakings	4,283	1,778
Total	6,465	1,778

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

Group	2015 £000	2014 restated £ 000
Scottish Government loan	27,778	26,443
Housing loans - bank facilities	432,334	587,475
Housing loans - bond finance	298,630	-
Deferred income	1,563	1,504
Other creditors	2,573	2,789
Total	762,878	618,211

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

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

Company	2015 £ 000	2014 £ 000
Amounts due to Group undertakings	5,983	-
Total	5,983	-

The Scottish Government made available to Glasgow Housing Association £100.0m of contingent efficiencies grant over an eight year period. Under this agreement £100.0m (2014: £100.0m) has been received and this is an interest-free loan with repayment due in 2040/41. The amount due of £27.8m at 31 March 2015 is the measurement of the liability after discounting for an equivalent interest bearing arrangement with the same repayment date.

Housing Loans

During 2014/15 new borrowing arrangements were put in place to replace previous bank loans via a Group facility consisting of bank and capital markets debt, secured on charged properties owned by certain RSLs within the Wheatley Housing Group. This facility was made up of a committed facility of £526.0m from a syndicate of commercial banks, a committed facility of £132.5m from the European Investment Bank and £300.0m raised through the issue of a public bond. This provided total facilities of £958.5m for the RSL borrowing group to further develop new housing. This facility is provided through Wheatley Funding No1 Ltd, a wholly-owned subsidiary of the Wheatley Housing Group Ltd. The RSL borrowing group comprises Glasgow Housing Association, Cube Housing Association, West Lothian Housing Partnership and Loretto Housing Association.

Bond finance is repayable in 2044/45, and has a coupon rate of 4.375%. The bond finance is secured on the social housing stock of the RSL borrowing group.

A further £50.0m facility is available to Lowther Homes Ltd provided through Wheatley Funding No.2 Ltd. No amounts had been drawn down from this facility at 31 March 2015.

Borrowings are repayable as follows	2015 £ 000	2014 restated £ 000
In less than one year	-	870
In less than five years and more than one year	95,000	17,839
In more than five years	635,964	569,636
	730,964	588,345

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

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

The deferred income balance is made up as follows:

	Housing Association Grant £ 000	Secured Repayable Grant £ 000	Other £ 000	Total Deferred Income £ 000
Deferred income as at 1 April 2014	24,813	16,497	1,504	42,814
Additional income received	31,599	-	6,020	37,619
Released to the Statement of Comprehensive Income	(23,340)	(16,497)	(96)	(39,933)
Deferred income as at 31 March 2015	33,072	-	7,428	40,500

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

	2015 £ 000	2014 £ 000
Deferred income to be released to the Statement of Comprehensive Income:		
In less than one year	38,937	41,310
In more than one year but less than five years	1,563	1,504
In more than five years	-	-
	40,500	42,814

22. Provisions for liabilities and charges

Group	Development Agreement £ 000	Insurance £ 000	Total £ 000
At 1 April 2014	141,148	1,148	142,296
Created in year	-	-	-
Utilised	(24,872)	(162)	(25,034)
At 31 March 2015	116,276	986	117,262

Development Agreement

The provision represents the best estimate of the costs of contracted works for the repair of managed properties in 2003 less the cost of repairs carried out since that date. This agreement is part of the Development Agreement between Glasgow Housing Association and Glasgow City Council and as work progresses the provision will be utilised when the work is actually undertaken.

Insurance

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

23. 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.

24. Reserves

Group	Revenue reserve £ 000	Revaluation reserve £ 000	Total £ 000
Opening Balance at 1 April 2014 (restated)	392,189	74,135	466,324
Surplus for the year	9,748	-	9,748
Revaluation of housing properties	-	(2,952)	(2,952)
Actuarial gain in respect of pension provision	64,385	-	64,385
Closing balance at 31 March 2015	466,322	71,183	537,505

The reserves opening balance has been restated to reflect the change in accounting requirements under the Housing SORP 2014 and FRS 102.

There were no balances in reserves for the company at 1 April 2014 and at 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (continued)

25. Pensions

Strathclyde Pension Fund

The Group subsidiary Glasgow Housing Association Limited participates in the Strathclyde Pension Fund ("SPF") which is administered by Glasgow City Council and is a defined benefit scheme. The assets of the scheme are held separately from those of the Association with investments under the overall supervision of the Fund Trustees.

The latest full actuarial valuation was carried out as at 31 March 2014. The next full actuarial valuation is due as at 31 March 2017.

Pensions Trust Scottish Housing Association Pension Scheme

Cube Housing Association, West Lothian Housing Partnership, Loretto Housing Association and Loretto Care participated in the Pensions Trust Scottish Housing Association Pension Scheme ("SHAPS"). SHAPS is a multi-employer defined benefit scheme and is funded and contracted out of the State Pension Scheme. Loretto Housing Association transferred to the SHAPS Defined Contribution scheme with effect from 1 July 2013, Cube Housing Association and West Lothian Housing Partnership transferred with effect from 1 September 2014.

The Trustee commissions an actuarial valuation of the Scheme every three years, with the last formal valuation of the Scheme being carried out at 30 September 2012, with the next full valuation due at 30 September 2015.

The scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. FRS 102 requires the disclosure of the Group's share of the assets and liabilities of the scheme within the financial statements and an evaluation of the scheme assets and liabilities has been carried out by an independent actuary as at 31 March 2015.

Following consideration of the results of the last valuation at 30 September 2012, it was agreed that the shortfall of £304m would be dealt with by the payment of additional contributions of 5.4% of pensionable salaries per annum with effect from 1 April 2014. Past service deficit contributions will increase each 1 April at a rate of 3%.

As a result of Pension Scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

25. Pensions (continued)

participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Wheatley Housing Group Defined Contribution Scheme

New defined contribution pension arrangements have been put in place during the year with The Salvus Master Trust. These arrangements are open to all employees of GHA, Cube and West Lothian Housing Partnership who are not members of the Strathclyde Pension Fund or SHAPS defined benefit or defined contribution schemes.

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%.

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 2015	31 March 2014
Discount rate	3.4%	4.3%
Future salary increases	**2.5%	*5.1%
Inflation	2.0%	2.8%

* Salary increases are assumed to be 2.0% p.a. until 31 March 2016, 1.8% p.a. until 31 March 2018, 5.1% p.a. thereafter.

** Salary increases are assumed to be 1% p.a. until 31 March 2015 reverting to the long term assumption thereafter.

In valuing the liabilities of the pension fund at 31 March 2015, 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 improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- o Current pensioner aged 65: 22.1 years (male) (2014 21.0 years), 23.6 years (female) (2014 23.4 years).
- o Future retiree upon reaching 65: 24.8 years (male) (2014 23.3 years), 26.2 years (female) (2014 25.3 years).

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

25. Pensions (continued)

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.

Movements in present value of defined benefit obligation

	SPF 2015 £ 000	SHAPS 2015 £ 000
Opening defined benefit obligation	313,304	33,238
Current service cost	10,253	145
Interest cost	13,596	1,423
Loss on curtailment	932	-
Actuarial (gains)/ losses	(27,314)	(2,079)
Contributions by members	2,445	51
Estimated benefits paid	(7,351)	(587)
Closing defined benefit obligation	305,865	32,191

Movements in fair value of plan assets

	SPF 2015 £ 000	SHAPS 2015 £ 000
Opening fair value of plan assets	269,641	19,417
Expected return on plan assets	11,667	848
Actuarial (losses) / gains	31,435	3,557
Contributions by the employer	8,712	1,109
Contributions by the members	2,445	51
Estimated benefits paid	(7,351)	(587)
Administration costs	-	(35)
Closing fair value of plan assets	316,549	24,360

	SPF Value at 31 March 2015 £ 000	SHAPS Value at 31 March 2015 £ 000
Present value of funded defined benefit obligations	(305,865)	(32,191)
Fair value of plan assets	316,549	24,360
Net asset/ (liability)	<u>10,684</u>	<u>(7,831)</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

25. Pensions (continued)

Expense recognised in the statement of comprehensive income

	SPF	SHAPS
	2015	2015
	£ 000	£ 000
Current service cost	10,253	145
Losses on settlements or curtailments	932	-
Net interest on defined benefit obligation	1,929	574
Administration costs	-	35
	13,114	754

The expense is recognised in the following line items in the statement of comprehensive income

	2015
	£000
Operating costs	217,553
Finance charges	35,539

The total amount recognised in the statement of comprehensive income in respect of actuarial gains and losses is £64.385m gain (2014: £9.269m loss).

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

	2015	2014
	£ 000	£ 000
Equities	246,183	213,083
Corporate bonds	49,921	38,570
Property	36,038	20,040
Alternatives	5,358	3,495
Cash	3,409	13,870
	340,909	289,058
Actual return on plan assets	47,507	18,682

26. 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 declared by Directors.

Directors received emoluments for their services to Wheatley Housing Group Limited. Details are included in Note 6.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

26. Related party transactions (continued)

Tenant and factored homeowners Directors

The following Directors are tenants or factored homeowners of Glasgow Housing Association and have tenancies or factoring agreements that are on the Association's normal terms and they cannot use their positions to their advantage:

Gordon Sloan
 Kate Willis
 John Grant (resigned)

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

	2015 £'000
Rent charged during the year	13
Arrears balances outstanding at 31 March 2015	-

No other transactions took place with Directors.

27. Cash Flow Analysis

Reconciliation of surplus to net cash inflow from operating activities

	2015 £000	2014 restated £000
Surplus for the year	9,748	136,280
Gain on business combination	-	(21,844)
Depreciation of tangible fixed assets	45,776	38,593
(Increase)/decrease in debtors	(2,010)	3,186
Increase in creditors and provisions	5,571	6,387
Pensions costs less contributions payable	1,540	957
Carrying amount of fixed asset disposals	(175)	-
Adjustment for investing or financing activities:		
Proceeds from the sale of tangible fixed assets	(2,183)	(2,306)
Grants utilised in the year	(39,933)	(41,766)
Interest payable	(269)	(72)
Interest receivable	35,539	29,939
Movement in fair value of financial instruments	(2)	48
Gain on investment activities	(8,237)	(4,926)
Reversal of previous decrease in the valuation of housing properties	-	(105,054)
Net cash inflow from operating activities	45,365	39,422

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (continued)

28. Prior year adjustments

Adjustments following the adoption of FRS 102:

1) Recognition of grant income

Previously capital grants received were netted off against the cost of housing properties. In line with the Housing SORP 2014 and FRS 102, grant received by the Group is now recognised as income in accordance with the performance model. Grant received in advance of the satisfaction of any performance conditions is held within creditors as deferred income. In the statement of financial position, this has resulted in an increase in the carrying value of housing under construction within housing properties, deferred income balances in creditors and the transfer of grant received from revaluation reserves into revenue reserves. In the Statement of Comprehensive Income, the application of the housing valuation on the revised carrying value excluding grant requires a reversal of previous decreases in the valuation to be credited to the surplus for the year. In addition, grant income for completed new build properties is included in turnover for the year and the changes to the accounting for grants increases the annual depreciation charge.

2) Pension liability

Cube Housing Association, West Lothian Housing Partnership, Loretto Housing and Loretto Care participated in the multi-employer defined benefit Scottish Housing Association Pension Scheme. In prior years, the cost of the scheme was accounted for on a defined contribution basis as it was not deemed possible at that time to separately identify the underlying assets and liabilities of individual participating employers.

Under FRS 102, the past service deficit liability is included in the statement of financial position and therefore the Group elected to obtain a valuation to enable full FRS 102 implementation and disclosures in relation to the scheme. This has resulted in the inclusion of the results of the SHAPs valuation within the Group's pension asset on the statement of financial position, and adjustments to operating expenditure, finance income, finance costs and the reduction of the gain on business combination as a result of the liability of Loretto Housing, Loretto Care and West Lothian Housing Partnership on joining the Group.

3) Financial instruments

Under FRS 102, financial instruments with a fixed principal repayment and a fixed rate of return are disclosed at amortised cost using the market rate of similar debt instruments (the effective interest rate method). The Contingent Efficiencies Grant, which is classed as a loan repayable by GHA to the Scottish Government in 2040/41 meets these criteria. This initially reduces the carrying amount held in the Statement of Financial Position, with the discount being unwound until maturity through finance charges. The discount rate used was equal to the average weighted cost of capital for the Group.

4) Investment property

Properties held for mid-market and commercial rent were previously held in housing properties and other tangible fixed assets respectively. These have been reclassified as investment properties, since they predominantly have the characteristics of market rather than social rented properties. For mid-market rental properties, this includes being let on short assured tenancies by Lowther Homes, a commercial subsidiary of the Group, and a requirement for prospective tenants to be in employment when assessing tenancy applications. These properties are therefore not depreciated but subject to annual revaluation with any gain or loss taken through profit and loss in the Statement of Comprehensive Income. This increases the value of investment properties and reduces the amount of depreciation charged to operating costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

28. Prior year adjustments (continued)

5) Financing transaction costs

Under FRS 102, financial liabilities are stated inclusive of transaction costs, reducing debtors and reducing long term creditors. Subsequent measurement is made using amortised cost.

6) Fair value of debt with a payment plan.

In line with the Housing SORP 2014, all debt balances with a payment plan in place at the year-end have been measured at the present value of the future payments discounted at a market rate of interest applicable to similar debt instruments.

7) Holiday pay accrual

In order to fully comply with requirements of the Housing SORP 2014, a review was undertaken to identify any potential holiday pay entitlement liability at the year-end. An adjustment is included in operating costs and accruals.

Adjustments following a change in accounting policy:

8) Provisions – Project and Salary Equalisation

Surpluses on contractual arrangements in Loretto Housing Limited are no longer held as a provision in the balance sheet but are recognised in the income and expenditure account in the year in which they arise.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

28. Prior year adjustments (continued)

	Number	Reported in 2014 accounts £'000	Restatement £'000	Restated 2014 figures £'000
<i>Statement of Financial Position</i>				
Social housing properties	1,4	1,078,985	20,977	1,099,962
Other tangible fixed assets	4	40,020	(17,953)	22,067
Investment properties	4	28,607	25,265	53,872
Debtors	5,6	188,020	(19,017)	169,003
Creditors: due within one year	1,7	(66,334)	(25,159)	(91,493)
Creditors: due after more than one year	3,5	(710,884)	92,673	(618,211)
Provision for liabilities	8	(142,767)	471	(142,296)
Government grant	1	(1,308)	1,308	-
Pension liability	2	(43,663)	(13,821)	(57,484)
Increase in net assets			64,744	
Revenue reserve excluding pension reserve	1,2,3,4,6,7,8	93,638	356,035	449,673
Pension reserve	2	(43,663)	(13,821)	(57,484)
Revaluation reserve	1	351,605	(277,470)	74,135
			64,744	
<i>Statement of Comprehensive Income</i>				
Turnover	1,8	195,392	41,714	237,106
Operating costs	1,4,7	(202,471)	(2,764)	(205,235)
Other income and gains	2	27,887	(1,117)	26,770
Finance income	2	292	(220)	72
Finance charges	2,3	(26,549)	(3,390)	(29,939)
Adjustment fair value financial instruments	6	-	(48)	(48)
Reversal of previous decrease in valuation of housing properties	1	-	105,054	105,054
Net increase in surplus			138,229	
(Deficit)/surplus for the year		(2,949)	138,229	136,280

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

29. Subsidiary and associated undertakings

The ultimate parent company is Wheatley Housing Group Limited. The Company has ten immediate subsidiaries – Glasgow Housing Association Limited, Cube Housing Association Limited, West Lothian Housing Partnership Limited, Loretto Housing Association Limited, Glasgow Housing Association (Funding) Limited (“GFL”), Wheatley Funding No.1 Limited, Wheatley Funding No.2 Limited, GHA Enterprises Limited, Lowther Homes Limited and YourPlace Property Management Limited. Loretto Care is a subsidiary of Loretto Housing Association 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 registered social landlords in the Group. Wheatley Funding No.1 Limited is the parent of Wheatley Group Capital plc, the vehicle for raising bond financing. Financing services were previously provided to GHA by Glasgow Housing Association (Funding) Limited prior to the funding re-structure. GHA Enterprises Limited is a non-trading holding company overseeing commercial activity which, through Glasgow Housing Association (Management) Limited, delivers factoring services to homeowners. Lowther Homes Limited is involved in investment property acquisition and offers its properties for private and mid-market rent. Wheatley Funding No.2 Limited provides finance to Lowther Homes Limited. YourPlace Property Management Limited is non-trading.

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. GHA has provided start-up funding to Scotcash and has no outstanding obligations.

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

29. Subsidiary and associated undertakings

Subsidiary	Legal status	Issued share capital
The Glasgow Housing Association Limited	Co-operative and Community Benefit Society	11 x £1 shares
Cube Housing Association Limited	Co-operative and Community Benefit Society	228 x £1 shares
The Glasgow Housing Association (Funding) Limited	Company Limited by Guarantee	No share capital
Wheatley Funding No.1 Limited	Company Limited by Guarantee	No share capital
Wheatley Funding No.2 Limited	Company Limited by Guarantee	No share capital
GHA Enterprises Limited	Company Limited by Shares	100 x £1 ordinary shares
Lowther Homes Limited	Company Limited by Shares	100 x £1 ordinary shares
YourPlace Property Management Limited	Company Limited by Shares	2 x £1 ordinary shares
Loretto Housing Association Limited	Co-operative and Community Benefit Society	276 x £1 shares
West Lothian Housing Partnership Limited	Company Limited by Guarantee	No share capital

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.

30. Post balance sheet events

Partnership discussions with Dunedin Canmore Housing Association Limited were formally concluded on 30 June 2015, and Dunedin Canmore Housing Association Limited and its subsidiary Dunedin Canmore Enterprise Limited joined the Wheatley Housing Group Limited on that date.

SUPPLEMENTARY INFORMATION

Secretary and Registered Office

Kirsten Craig
Wheatley Housing Group Limited
Wheatley House
25 Cochrane Street
Glasgow G1 1HL

Independent Auditors

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow G2 7EQ

Bankers

Royal Bank of Scotland
Glasgow Corporate Office
Kirkstane House
139 St Vincent Street
Glasgow G2 5JF

BOARD MEMBERS

Alastair MacNish OBE – Non-Executive Chairman (from 1 April 2015)

Alastair spent his career in local government, initially in finance as a Chartered Accountant and then five years as the Chief Executive of South Lanarkshire Council - Scotland's third largest local authority at the time. He was formerly the Chairman of the Accounts Commission and Audit Scotland and has advised the Scottish Government on a wide range of issues, including chairing the Leadership Advisory Panel on Local Government Leadership Capacity and providing expert evidence to the Scottish Parliament Local Government and Communities Committee on budget setting.

Alastair holds external appointments as the Chairman of Greenock Medical Aid Society and The Royal Caledonian Curling Club, as well as being a director of the Scottish Curling Trust and Board director of British Curling.

Alastair Dempster CBE – Non-Executive Chairman (resigned 31 March 2015)

A career banker, Alastair held a number of senior positions, latterly as the Chief Executive of Lloyds TSB Scotland plc for 6 years. A fellow and former President of the Chartered Institute of Bankers in Scotland, Alastair has held a number of non-executive director positions in the private and public sector, including 12 years as an independent Board member of Glasgow Housing Association Limited.

Liz Walford – Non-Executive Director

Liz, who holds a MA (Cantab) from the University of Cambridge, has held a number of executive positions within the housing sector in England. She retired as the Group Chief Executive of Walsall Housing Group in 2009 following five years in the post. Liz has extensive experience of business transformation and change, having supported significant change programmes and provided expert governance advice and support as a regulatory appointee on a number of housing provider Boards.

Liz is the Chair of YourPlace and also serves on the Board of Shropshire Housing Group Limited.

Mike Blyth – Non-Executive Director

Mike, who holds a BSc from the University of St Andrews, is a Chartered Accountant. He was a partner for 30 years in Baker Tilly where he held a number of senior management positions both locally and nationally. In addition, he headed up the not-for-profit group in the West of Scotland and, as such, provided audit and advisory services to a wide range of Registered Social Landlords the length and breadth of Scotland.

Mike holds appointments as the Non Executive Chairman of Anglo Pacific Group plc and a trustee and Vice Chair of Erskine Hospital.

Sheila Gunn – Non-Executive Director

A qualified solicitor, holding a LLB (Hons) from the University of Glasgow, Sheila worked in legal private practice for 23 years as a partner and Head of Employment at leading Scottish legal firm Shepherd & Wedderburn. She has provided counsel to the Boards of leading UK companies, and has also worked in the housing sector, having advised a number of Housing Associations, as well as conducting investigations into other housing associations requested by the Scottish Housing Regulator.

Sheila holds appointments as a member of the Council of the Chartered Banker Institute, a member of the Ethics Committee of ICAS and as a Non-Executive Director of Airdrie Savings Bank.

BOARD MEMBERS (continued)

Ronnie Jacobs – Non-Executive Director

Ronnie is a qualified surveyor and has over 30 years' experience in the private housing sector, in particular new build development. He has held a number of senior positions in the private housing sector, including Managing Director of Persimmon Homes and Miller Homes in Scotland and he recently retired as Scottish Regional Chairman of Miller Homes. Ronnie has advised the Scottish Government on housing as part of the Housing Supply Task Force and has served on the Board of Homes For Scotland.

Ronnie is the Chair of Lowther Homes and a director of Transforming Communities: Glasgow. He holds an appointment as a director of Etive Technologies.

Jo Armstrong – Non-Executive Director (appointed 24 June 2015)

Jo is a business economist, holding a BA and MSc in Economics from the University of Strathclyde. Her extensive professional career includes senior management roles at the Royal Bank of Scotland and as a senior civil servant. She has advised Scottish Government Committees on a range of economic and budget issues.

Jo is a Board member of Glasgow Housing Association Limited. She also holds appointments as an Executive Director of Fiscal Affairs Scotland, the Chair of Enable, a Board member of Social Investment Scotland, a member of the CIPFA Scottish Regional Advisory Board and is an Honorary Professor of Public Policy at the Adam Smith Business School at the University of Glasgow.

Gordon Sloan – GHA Appointee

Gordon spent his career in the civil service, working as a Children's Reporter, specialising in complex and high profile cases prior to his retirement. Gordon is a GHA tenant, with extensive experience in community engagement. He was previously the Chair of an NHS Trust Panel in Glasgow. Gordon is the Chair of Glasgow Housing Association Limited.

Kate Willis – GHA Appointee

A GHA tenant, Kate has significant experience in community development, capacity building and regeneration. Her contribution to her community was recognised in 2010 when she won the 'Inspirational Board Member of the Year' at the 2010 Housing Heroes Awards, by Inside Housing and the Chartered Institute of Housing. Kate works for the Castlemilk Timebank.

Kate is a Board member of Glasgow Housing Association Limited and Chairs its North West and South Area Committees and is a director of Scotcash. She holds an appointment as a director of the Castlemilk and Carmunnoch Community Windpark Trust.

John Grant – GHA Appointee (resigned 25 September 2014)

John has a wide range of experience of not-for-profit and commercial non-executive roles. He is currently a director of social enterprise Scotcash CIC, a financial services company which provides loans to non-mainstream clients. John was also a non-executive director of Lowther Homes Limited and a member of the Glasgow Housing Association Limited Board, chairing the West Area Committee.

Peter Kelly – Co-opted Director (appointed 1 May 2015)

Peter is a Banking Partner at Scotland's largest law firm, Brodies LLP, and holds both a LLB (Hons) and BAcc from the University of Glasgow. He acts for lenders and borrowers in leveraged, real estate and corporate finance transactions. Peter also specialises in healthcare, renewables and third sector deals and is recognised as a ranked individual for Banking and Finance by Chambers & Partners.

BOARD MEMBERS (continued)

Peter is a Board member of Cube Housing Association Limited and holds appointments as a Non-Executive director of Balhousie Holdings Limited and as the company secretary of Applecross.

Margaret Dunlop - Co-opted Director

A qualified Industrial Engineer, Margaret spent her early career in Industrial Engineering. Subsequently, she worked in further education as a college Head of Department, where she managed both academic and administrative resources college-wide for IT, Audio-visual, Theatre, Printing, Publishing and Library Services. Her Head of Department remit also involved the promotion, production and delivery of Learning Packages to Fire Services nationally and internationally including the design and implementation of a staff advancement learning system within the multi-national BAA company.

Margaret is the Chair of West Lothian Housing Partnership Limited.

Pauline Hamilton - Co-opted Director

A lecturer in nursing at Glasgow Caledonia University, Pauline is a member of the University Court. She is a registered Adult and Mental Health Nurse and holds an MSc in Nursing. She has varied experience of working in hospitals, community and the voluntary sector and is an experienced lecturer in Nursing and Healthcare research in Higher Education. She has a special interest in person-centred care and public involvement in educational curricula for nurses and allied health professionals. Pauline was previously a national board member of The Scottish Health Council.

Pauline is the Chair of Loretto Care and holds an appointment as a member of NHS Ayrshire & Arran Pharmacy Practices Committee.

Lesley McInnes - Co-opted Director (resigned 17 December 2014)

Lesley has extensive senior experience in the housing sector at Executive and Board level and is currently the Chief Executive of West Highland Housing Association. She also served on the Board of Cube Housing Association Limited during the year.

John Fletcher – Co-opted Director (appointed 30 June 2015)

John's career was primarily in banking, including significant experience within lending and funding to the housing sector. John works part-time for Cascade Mortgage Solutions. He is a Non-Executive Director and past Chairman of both Dunedin Canmore and Dunedin Canmore Enterprises and is the Chair of the Dunedin Canmore Audit Committee.

Martin Armstrong – Director

Martin is the Chief Executive of Wheatley Housing Group Limited, having been appointed upon the Group's creation in 2012. He holds a BSc in Social Administration & Housing Management from the University of Ulster, a PGD in Management and is a Fellow of the Royal Institute of Chartered Surveyors. Martin has over 25 years of public sector experience with a track record in strategy formulation, performance management and business transformation. Prior to joining, initially, Glasgow Housing Association Limited, he held senior posts at West Lothian Council, including Head of Housing and Customer Services and latterly Director of Customer & Support services. Martin is also a Board member of Quality Scotland.

EXECUTIVE TEAM

Martin Armstrong, Group Chief Executive

Martin sits on the Board of Wheatley Housing Group and also leads the Group's Executive team.

Mark Logan, Group Director of Finance

Mark, a Chartered Accountant, joined GHA in October 2009 from West of Scotland Housing Association where he was initially Director of Corporate Services before becoming Deputy Chief Executive. He was previously Assistant Director of Housing and Regeneration at Ernst & Young from 2000-2006 providing support to clients across the UK including large local authorities and housing organisations gaining a wealth of experience in stock and second stage transfer. Mark was appointed Group Director of Finance for the Wheatley Housing Group in June 2012. Mark serves as a director of Lowther Homes Limited and YourPlace Property Management.

Alex McGuire, Group Director of Property

Alex joined GHA in April 2008 and was appointed Group Director of Property in 2013. Alex had responsibility for Glasgow Housing Association's £1.2 billion Investment Programme – the largest of its kind in Europe – as well as repairs and maintenance. Alex, formerly a Housing Strategy Manager at West Lothian Council, set up and ran the West Lothian Housing Partnership. He is a director of Lowther Homes Limited.

Graham Isdale, Director of Corporate Affairs and Commercial

A former UK Board director of one of the world's largest communications companies, Graham joined Glasgow Housing Association in 2009. He was previously instrumental in building two of the biggest independent PR consultancies in the UK and has handled major crisis, issues-management and communications assignments for multi-nationals all over the world, as well as FTSE 100 companies and Government departments and agencies. Graham is also a former regional newspaper editor.

Olga Clayton, Group Director of Housing and Care

Olga joined Wheatley Housing Group in September 2013, and has over 25 years' experience in Scottish social housing. As Head of Housing at North Ayrshire Council, Olga led the transformation of the service achieving an 'A' rating from the Scottish Housing Regulator, winning Quality Scotland's top award for Business Excellence and achieving COSLA's Gold award for innovation in services. Olga also has substantial experience of developing partnerships and delivering services in the care sector. As Head of Housing and Community Care in her final four years at North Ayrshire Council, she was responsible for commissioning and contracting for services to older people and people with disabilities, achieving excellent Care Inspectorate ratings and leading service integration with the Health Service. As well as having a strong operational track record, Olga has extensive experience of contributing to policy development at national level, most recently serving on the Ministerial Strategy Group on Homelessness and the national delivery group for the Integration of Health and Social Care.

Elaine Melrose, Group Director of Resources

Elaine joined Wheatley Housing Group in September 2013 from West Dunbartonshire Council where she was an Executive Director for Housing, Environmental and Economic Development. Elaine has wide strategic experience in everything from regeneration and community planning to infrastructure investments and has led key improvement activity in organisation culture and improving competitiveness.

Kirsten Craig, Company Secretary

Kirsten is a qualified solicitor and held the position of Company Secretary at Dumfries and Galloway Housing Partnership Limited prior to joining Wheatley Group in January 2014.