



**FUNDING No.1 LTD**

# ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended

31 March 2021

**Wheatley Funding No. 1 Limited**

Registered number SC469961

## **Directors' report and financial statements for the year ended 31 March 2021**

### **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for the year ended 31 March 2021.

### **OPERATING REVIEW**

#### **Principal activities**

The principal activity of Wheatley Funding No. 1 Limited is the administration of the Wheatley Group loan facilities agreement. The loan facility finances the Group's Registered Social Landlord subsidiaries ("RSL subsidiaries"). The Company is limited by guarantee and has no share capital.

#### **Business review**

The Company is a wholly owned subsidiary of the Wheatley Housing Group Limited. It administered the banking facilities for certain of Wheatley Group's RSL subsidiaries during the year, collectively referred to as the "RSL Borrower Group". The RSL Borrower Group comprises of The Glasgow Housing Association Limited, Cube Housing Association Limited, West Lothian Housing Partnership Limited, Dunedin Canmore Housing Limited and Loretto Housing Association Limited.

During the year, Barony Housing Association transferred its activities to West Lothian Housing Partnership and Dunedin Canmore Housing, and was closed and removed from the RSL Borrower Group on 23 September 2020.

During the year the Company has recharged the Group's RSL Borrower Group subsidiaries for banking fees incurred and for the administration of the loan facility and for the bond finance.

#### **Proposed dividend**

The directors do not recommend payment of a dividend.

#### **Directors and directors' interests**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Jo Armstrong  
Steven Henderson  
Martin Kelso.

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

#### **Disclosure of information to auditor**

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

## **DIRECTORS' REPORT (continued)**

### **Independent auditor**

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor is to be proposed at the forthcoming Annual General Meeting.

### **Basis of preparation**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. As such, the company has taken exemption from preparing a strategic report.

## **FINANCIAL REVIEW**

### **Turnover**

Turnover for the year ended 31 March 2021 was £2,289k (2020: £2,500k) for the Company. This was, in the main, generated through charges to the members of the RSL Borrower Group of bank commitment fees incurred.

### **Expenditure**

Administrative expenses incurred for the year of £2,284k (2020: £2,495k) comprised the cost of bank commitment fees levied by the lenders.

### **Finance income and costs**

Finance costs incurred on the Company borrowings for the year of £85,737k (2020: £56,011k) were charged to the members of the RSL Borrower Group. Finance costs for the year included fees for the termination of fixed rate loans arrangements of £30,000k (2020: £nil)


### **Statement of Financial Position**

As at 31 March 2021, the company reported net assets of £16k (2020: £23k) representing accumulated revenue reserves. Long term creditors of £1,193,551k (2020: £1,170,490k) relate to the borrowings under the banking facilities due in more than one year. The company has net current assets of £52,994k (2020: £26,129k) which in addition to cash balances of £36,368k (2020: £29,432k) includes £7,939k (2020: £9,228k) of borrowings due to be repaid within one year, amounts owed by the RSLs for the fees for the termination of fixed rates loans of £30,000k (2020: £nil) and short term creditors due to other group undertakings of £4,759k (2020: £4,741k).

### **Going concern**

As a special purpose vehicle set up to administer the Wheatley Group housing loans for the RSL subsidiaries, the financial viability of the Company reflects that of the RSL subsidiaries. The RSL subsidiaries have access to sufficient funds to meet their current liabilities as they fall due. There are therefore no material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

On behalf of the Board

  
**Jo Armstrong**  
Director  
26 August 2021

Wheatley House  
25 Cochrane Street  
Glasgow G1 1HL

**Wheatley Funding No. 1 Limited**

**Annual report and financial statements for the year ended 31 March 2021**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY FUNDING NO.1 LIMITED**

### **Opinion**

We have audited the financial statements of Wheatley Funding No.1 Limited ("the company") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Going concern**

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

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

Our conclusions based on this work:

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

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

### **Fraud and breaches of laws and regulations – ability to detect**

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of board members and management as to the company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual suspected or alleged fraud; and
- Reading Board minutes

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY FUNDING NO.1 LIMITED (CONTINUED)**

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

We did not identify any additional fraud risks.

We performed procedures including the identification of journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. Due to the limited number of journal entries made in the financial year due to the inherent nature of the Company these have been substantively tested in full with no issues to note.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards) and from inspection of the Company's regulatory and legal correspondence; and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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

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

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY FUNDING NO.1 LIMITED (CONTINUED)**

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY FUNDING NO.1 LIMITED (CONTINUED)**

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to

the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

23 September 2021



**Wheatley Funding No. 1 Limited**  
**Annual report and financial statements for the year ended 31 March 2021**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
<b>Turnover</b>		2,289	2,500
Administrative expenses	3	<u>(2,284)</u>	<u>(2,495)</u>
<b>Operating profit</b>		5	5
Finance income	6	85,737	56,011
Finance costs	7	<u>(85,737)</u>	<u>(56,011)</u>
<b>Profit before taxation</b>		5	5
Tax on profit	8	(12)	(1)
<b>(Loss)/Profit for the financial year</b>		<u>(7)</u>	4
Other comprehensive income		-	-
<b>Total comprehensive result for the financial year</b>		<u>(7)</u>	4

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

	Revenue Reserve £000	Total Equity £000
Balance at 1 April 2019	19	19
Profit for the financial year	<u>4</u>	<u>4</u>
<b>Balance at 31 March 2020</b>	23	23
Loss for the financial year	<u>(7)</u>	<u>(7)</u>
<b>Balance at 31 March 2021</b>	<u>16</u>	<u>16</u>

All amounts relate to continuing operations for the current year.

The notes on pages 11 to 16 form part of these financial statements.


**Wheatley Funding No. 1 Limited**  
**Annual report and financial statements for the year ended 31 March 2021**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

	Note	2021 £000	2020 £000
<b>Fixed Assets:</b>	9		
Investments		12	12
Debtors: amounts falling due after more than one year	10	1,140,561	1,144,372
<b>Current assets:</b>			
Debtors falling due within one year	11	40,255	12,142
Cash and cash equivalents		36,368	29,432
		<u>76,623</u>	<u>41,574</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(23,629)</u>	<u>(15,445)</u>
<b>Net current assets</b>		52,994	26,129
<b>Total assets less current liabilities</b>		1,193,567	1,170,513
<b>Creditors: amounts falling due after more than one year</b>	13	(1,193,551)	(1,170,490)
<b>Net assets</b>		<u>16</u>	<u>23</u>
<b>Capital and reserves</b>			
Called up share capital		-	-
Revenue reserve	14	16	23
<b>Total reserves</b>		<u>16</u>	<u>23</u>

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

These financial statements were approved by the board of directors on 25 August 2021 and signed on its behalf on 26 August 2021 by:

  
**Jo Armstrong**  
 Director

The notes on pages 11 to 16 form part of these financial statements

Company number SC469961

**Wheatley Funding No. 1 Limited**

**Annual report and financial statements for the year ended 31 March 2021**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**1 Legal status**

Wheatley Funding No. 1 Limited (“WFL1” or “the Company”) is a wholly owned subsidiary of Wheatley Housing Group Ltd (“WHG”). The Company is incorporated in the UK and registered under the Companies Act 2006.

**2 Accounting policies**

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

**Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, on a going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in United Kingdom and FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

Under FRS 102 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a qualifying entity and its parent undertaking includes the Company in its own published consolidated financial statements.

Consolidated financial statements for WFL1 and its subsidiary Wheatley Group Capital plc have not been prepared by virtue of s400 of the Companies Act 2006, on the basis that both companies are included in the consolidated financial statements of the ultimate parent organisation, Wheatley Housing Group Limited.

**Related party disclosures**

The Company is a wholly-owned subsidiary of Wheatley Housing Group Limited and is included within the consolidated financial statements of Wheatley Housing Group Limited which are publicly available. Consequently, the Company has taken advantage of the exemption, under the terms of FRS 102, from disclosing related-party transactions with wholly owned entities that are part of the Wheatley Housing Group.

**Turnover**

Turnover represents income from management fees charged to the RSL subsidiaries in the UK.

**Bank fees**

Bank arrangement fees incurred on establishing the company’s loan facility and on the 2010 restructuring of the loan facility, are passed onto the RSL subsidiaries and amortised over the projected period of the loan drawdown by the RSL subsidiaries. Other transactional bank fees are expensed and recovered from the RSL subsidiaries in the year in which they arise.

**Finance income and finance costs**

Interest receivable from group companies and payable to the funding syndicate and bond holders is recognised in the year in which it arises including fees associated with changes to the basis of charging interest.

**Creditors**

Balances due on bank loans and on intra-group lending from Wheatley Group Capital plc are on-lent to the RSL subsidiaries who are related Group companies. No interest is charged by the company to the RSL subsidiaries over and above that payable to the funding syndicate and Wheatley Group Capital plc.

**Wheatley Funding No. 1 Limited**  
**Annual report and financial statements for the year ended 31 March 2021**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**Financial instruments**

The Company has elected to apply FRS 102 Section 11 and Section 12 in accounting for financial instruments. FRS 102 requires some financial instruments to be carried at fair value. Bank loans are classed as either basic or complex financial instruments. Loans that are classed as basic under the requirements of FRS 102, are measured at amortised cost. Loans classed as complex are carried at fair value. The fair value of complex financial instruments are provided by an independent professional advisor and are determined using valuation techniques that use primarily observable inputs such as short term rates, futures, swap rates, implied volatilities and market credit spreads for similar credit worthiness instruments. All loans are classed as basic.

**Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the date of the Statement of Financial Position, except as otherwise required by FRS 102.

**Value Added Tax**

The company is not registered for VAT. Expenditure with irrecoverable VAT is shown inclusive of VAT.

**3 Administrative expenses**

	2021 £000	2020 £000
Bank commitment, audit and administrative fees	2,284	2,495

The Company has no employees (2020: nil).

**4 Auditors remuneration**

	2021 £000	2020 £000
The remuneration of the Auditor (excluding VAT) is as follows:		
- audit of these financial statements	4	4

**5 Remuneration of directors**

No remuneration was paid to the directors during the period (2020: nil).

**6 Finance income**

	2021 £000	2020 £000
Receivable from group undertakings	85,737	56,011



**Wheatley Funding No. 1 Limited**  
**Annual report and financial statements for the year ended 31 March 2021**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**7 Finance costs**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
On bank loans	72,612	42,886
Payable to group undertakings	13,125	13,125
	<u>85,737</u>	<u>56,011</u>

**8 Tax on profit**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Analysis of charge in year:		
<u>Current tax</u>		
Current tax on income for the year	1	1
Adjustment in respect of prior periods	11	-
	<u>12</u>	<u>1</u>

Factors affecting the tax charge for the current and previous years

The current tax charge for small companies is equal to (2020: equal to) the standard rate of corporation tax in the UK of 19% (2020: 19%) as explained below.

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Reconciliation of effective tax rate:		
(Loss)/ Profit for the year	(7)	4
Total tax expense	12	1
Profit excluding taxation	<u>5</u>	<u>5</u>
Tax using the UK corporation tax rate of 19% (2020:19%)	1	1
Expenses not allowable for tax purposes	-	-
Underprovision in prior year	11	-
Total tax expense included in profit or loss	<u>12</u>	<u>1</u>

**Wheatley Funding No. 1 Limited**  
**Annual report and financial statements for the year ended 31 March 2021**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**9 Investments**

	2021 £000	2020 £000
Investment in subsidiary undertaking	12	12
	<u>12</u>	<u>12</u>

The Company has one immediate wholly owned subsidiary, Wheatley Group Capital plc. This subsidiary is a vehicle for raising bond finance for the Wheatley Housing Group.

**10 Debtors: amounts falling due after more than one year**

	2021 £000	2020 £000
Amounts owed by group undertakings	1,140,561	1,144,372
	<u>1,140,561</u>	<u>1,144,372</u>
Of which:		
Debts falling due for repayment on an instalment basis in more than one year and less than 5 years	92,692	67,511
Debts falling due for repayment on a non-instalment basis in less than 5 years	-	40,000
Debts falling due for repayment on an instalment basis after 5 years	627,869	586,861
Debts falling due for repayment on a non-instalment basis after 5 years	420,000	450,000

**11 Debtors: amounts falling due within one year**

	2021 £000	2020 £000
Amounts owed by group undertakings	40,221	12,142
Other debtors	34	-
	<u>40,255</u>	<u>12,142</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**Wheatley Funding No. 1 Limited**  
**Annual report and financial statements for the year ended 31 March 2021**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**12 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Corporation tax	1	1
Bank loans and intergroup loans	7,939	9,228
Accruals	10,930	1,475
Amounts owed to group undertakings	4,759	4,741
	<u>23,629</u>	<u>15,445</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**13 Creditors: amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Bank loans and intergroup loans	893,551	870,490
Loan from subsidiary undertaking	300,000	300,000
	<u>1,193,551</u>	<u>1,170,490</u>

**Bank lending facility**

The bank loans are secured over the housing stock and certain other properties of RSL subsidiaries. All loans are repayable by instalments and are secured by way of standard securities or other charges on certain of the RSL Borrowers' properties.

As at 31 March 2021, £1,043.4m (2020: £803.9m) of the loans were at fixed rates for a period of one year or more. The weighted average rate of interest was 4.60% (2020: 4.89%). The loans are currently at rates between 1.425% and 7.211% (2020: 1.425% and 7.15%).

The Company's activities expose it to interest rate risk. The Company has hedged the interest rate risk by way of embedded fixed rate loans or with fixed interest coupons. The financial instruments are not used for speculative purposes.

The Company has loans of £23.1m (2020: £53.6m) under cancellable fixed rate arrangements, which were transferred when Dunedin Canmore Housing Association Limited joined the RSL Borrower Group on 1 April 2016. These loans are classified as basic financial instruments under FRS 102 and are carried at amortised cost.

Borrowings are repayable as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
In less than one year	7,939	9,228
Between one and five years	92,692	-
In more than five years	1,100,859	1,170,490
	<u>1,201,490</u>	<u>1,179,718</u>

**Wheatley Funding No. 1 Limited**  
**Annual report and financial statements for the year ended 31 March 2021**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**13 Creditors: amounts falling due after more than one year (continued)**

The carrying value of financial assets and liabilities include:

	2021 £000	2020 £000
Assets measured amortised cost	1,180,816	1,156,505
Liabilities measured at amortised cost	1,217,180	1,185,926

**14 Revenue reserve**

	2021 £000	2020 £000
Opening reserves at 1 April	23	19
(Loss)/profit for the financial year	(7)	4
Closing reserves at 31 March	<u>16</u>	<u>23</u>

**15 Ultimate parent organisation**

The Company is a subsidiary undertaking of the Wheatley Housing Group Limited, a company limited by guarantee and registered in Scotland.

The only group into which the results of the Company are consolidated is Wheatley Housing Group Limited. The consolidated financial statements of Wheatley Housing Group Limited may be obtained from the registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.



**Wheatley Funding No. 1 Limited**  
**Annual report and financial statements for the year ended 31 March 2021**

**SUPPLEMENTARY INFORMATION**

**Secretary and Registered Office**

Anthony Allison  
Wheatley Funding No.1 Limited  
Wheatley House  
25 Cochrane Street  
Glasgow G1 1HL

**Independent auditor**

KPMG LLP  
319 St Vincent Street  
Glasgow G2 5AS

**Bankers**

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