



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the Year Ended

31 March 2022

Wheatley Care

(Registered Company No. SC252526)
(Registered Charity No. SC034584)

TRUSTEES' REPORT

STRATEGIC REPORT

Principal activities

Wheatley Care (“the Company”, “Care”, “Wheatley Care”) is a charity incorporated as a company limited by guarantee and is a subsidiary of Wheatley Housing Group Limited. The Company is governed by a Memorandum and Articles of Association under the Companies Act.

The Wheatley Housing Group Limited is a company limited by guarantee and registered in Scotland under the Companies Act (company registration number SC426094), having its registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL. It is registered with the Scottish Housing Regulator as a registered social landlord (number 363).

The principal office of the Company is Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

The Company formally changed its name in October 2021 from Loretto Care but had been trading under the name, Wheatley Care, from 1 April 2020.

The Trustees, who are also the Directors, serving during the year and since the year end are detailed on page 6.

Review of the year

This year, we continued to grow our capacity to deliver personalised care services, enabling the people we work for to achieve their desired outcomes through flexible and responsive support delivered by a trained and skilled workforce.

Our primary focus in 2021/22 was on creating a common framework for our services, unifying systems we inherited from Barony Housing Association and Loretto Housing Association to implement standardised quality management systems and create one culture of excellence within the combined business, Wheatley Care.

The framework included the implementation of robust audit and self-evaluation systems, as well as new ways of capturing feedback from the people we work for to help shape services. We also reviewed all our operational policies and procedures to ensure these new systems were underpinned by current best practice.

While we continued to deliver reliable support services during the year, we re-designed some local services to reflect the changing needs of our customers.

Wheatley Care also contributed to the Scottish Government consultation on proposals for a National Care Service.

While the majority of our work remained face-to-face in 2021/22, we continued to harness new technology. Smartphones were delivered to all our staff, allowing them to use email and video chat and giving them secure access to the data they need to continue to improve services. We also developed plans for a mobile app, which will be rolled out next year.

All Wheatley Care staff took part in e-learning modules this year as well as training and development webinars.

As Wheatley Group moved into its next strategy in 2021/22 – *Your Home, Your Community, Your Future* – our commitment to ensuring the people we work for have increased control over their services and their lives, along with new opportunities for building skills and resilience, remained stronger than ever.

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT (continued)

Supporting people achieve their outcomes:

In 2021/22, Wheatley Care supported 7,751 people across our services, helping them get the most out of their lives and achieve their own positive outcomes.

Glasgow Flexible Homeless Outreach Support Service (GFHOSS)

Wheatley Care's GFHOSS supported 1,384 individuals who were experiencing homelessness, living in temporary accommodation or were at risk of homelessness while living in their own homes. The service supported the closure of the Bellgrove hotel, a private hostel in Glasgow's east end, helping the 57 people who lived there move on to their next positive destination. Some moved into their own tenancies, some into other forms of supported accommodation, while others reconnected with their families.

Tenancy Support Service

Our Tenancy Support Service (TSS) continued to support vulnerable tenants of Wheatley's social landlords maintain their tenancies through specialised support, ranging from money and budgeting advice through to help with addictions and health and wellbeing.

The TSS supported 1,259 customers in 2021/22. We also planned a redesign of the service, adapting it to customers' changing needs, which will be rolled out in the months to come.

Test of Change at Fordneuk Accommodation and Support Service

In 2021/22, we changed the service specification for our Fordneuk service to directly assist the Health and Social Care Partnership in temporarily accommodating people our with our usual service specification.

This test of change framework allowed us to reduce the time people spend in temporary accommodation as well as create opportunities for people affected by homelessness, allowing us to be more inclusive and to meet the needs of some of Glasgow's most vulnerable citizens.

Livingwell services

Wheatley Group's Livingwell service helps older tenants to live independently in their own homes for longer, supported by housing staff as well as our care staff.

A total of 973 people were supported at 32 Livingwell complexes in Glasgow over the year. They enjoyed a range of activities including quizzes, music, and light exercise classes to help them get the most out of life and reduce isolation.

We continued to work with Wheatley's social landlords on the design of new homes for Livingwell customers in the east of Scotland, with the first of these new developments, in Livingston, expected later this year.

Glasgow Alliance to End Homelessness (GAEH)

Last year, Wheatley Care and six partner organisations were awarded the contract for the GAEH, a unique partnership which aims to reduce the risk of homelessness and help people live independently.

This year, the partner organisations created a leadership team and put the necessary processes in place to begin to commission homelessness services next year.

Decommissioning of services

We decommissioned our Logie Road Care Home service in Stirling and registered the redesigned service as a Housing Support and Care at Home service, offering the people we work for more choice and control over the environment they live in and how their service is delivered.

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT (continued)

Community engagement

We continued to support the people we work for to get the most out their community through a range of activities to improve physical health, mental wellbeing, reduce social isolation and increase access to employment, volunteering and education.

This year, we used Wheatley Group's Engagement Framework – 'Stronger Voices, Stronger Communities' – to implement a flexible approach to engaging customers in shaping care services for the future.

Our flagship music project 'The Ensemble' released their debut album 'No Place Like It' this year, further cementing this unique engagement opportunity which sees people we work for collaborate with professional musicians to create music to help improve confidence, resilience and mental health.

Our Knightswood Connects project supported 220 older people in Glasgow to develop closer ties to their community and enjoy positive opportunities for engagement. Activities this year included art and exercise groups, digital classes to help people get the most out of their devices and an inter-generational tree-planting project involving local schools and businesses. A number of people who took part in our bowls group went on to join the bowling club this year.

Customer sentiment survey

We carried out a survey of the people we work for across our care services this year. A total of 470 customers responded, and a significant majority told us we were performing well against the Care Inspectorate's Quality Framework and in relation to the aspirations set out in our strategy.

Managing complaints

We listen carefully to complaints and use the feedback to improve services. Wheatley Care received 12 complaints this year, the same number as last year, and seven of those complaints were upheld.

We worked with Wheatley Group's new Customer First Centre to improve our complaints systems, ensuring the people we work for, and our wider stakeholders, know how to complain, who to complain to and the response they should expect to receive.

Care inspections

In 2021/22, the Care Inspectorate inspected our Tenancy Support Service, the Falkirk Supported Living Service and our Bathgate Support Service, the first inspections to take place since 2019.

Out of our 22 live inspection reports, 68% of our services have achieved a grade of 5 (very good) or above, while the national average is 44%.

TRUSTEES' REPORT (CONTINUED)**STRATEGIC REPORT (continued)****FINANCIAL REVIEW**

The Statement of Financial Activities shows net income for the year of £306k (2021: £268k) before actuarial gains of £463k (2021: actuarial losses of £609k) in respect of defined benefit pension schemes. In 2020/21 a gain on business combination of £329k arising on the transfer of care activities from Barony Housing Association Limited on 1 April 2020 was recognised in the Statement of Financial Activities.

During the year the covid-19 pandemic continued to present challenges to service delivery in care. We are focussed on ensuring the business remains in a stable position financially in an environment of continued financial pressure on care service and are committed to fairly rewarding our employees for their contribution through the Real Living Wage and Wheatley benefits package.

A total of £2,900k was retained in accumulated funds at the year-end (2021: £2,131k).

Income

Total income for the year ended 31 March 2022 was £20,802k (2021: £20,134k). This is an increase of £668k compared to the previous year.

Expenditure

Total expenditure for the year of £20,496k (2021: £19,866k) is £630k higher than in the prior year. Expenditure for the year includes the cost of continuing to pay employees the Real Living Wage as well as the winter preparedness payment of £10.02 per hour from 1 December 2020 as announced by the Scottish Government.

Principal funding sources

The charity's principal funding sources are the Glasgow City Council's Homelessness Services, Learning Disability and Mental Health. In addition, the charity received funding from Falkirk, North Lanarkshire, Renfrewshire, South Lanarkshire, Stirling, West Lothian and City of Edinburgh local authorities.

TRUSTEES' REPORT (CONTINUED)**DIRECTORS REPORT****Reserves policy**

The Trustees have set a target of a minimum of one month's operating costs with a target of working towards two months of operating costs as a desired level of a general revenue reserve, recognising the support available from the Group structure. At the Statement of Financial Position date the Company had 1.7 months' worth of reserves, of which all related to Unrestricted Funds.

Trustees

The Directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees present their annual report and the audited financial statement of the charity for the year ended 31 March 2022.

Result for the year

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

Structure

The Trustees serving on the Board and up to the date of signing the financial statements were:

Trustees	First Appointed	Left Board
James Muir	22 August 2011	29 September 2021
Lindsey Cartwright	25 October 2016	
Allison Forrest	25 July 2016	
Deborah Neild	10 October 2019	
Onyekachi Okafor	25 October 2016	
Elizabeth Reid	25 October 2016	
Daniel Harley	4 February 2020	
Jessica Wade	15 June 2020	
George Cunningham	15 June 2020	
Kenneth Simpson	29 September 2021	

Governance

The governing body of the charity is known as the Board and has spaces for up to fifteen trustees. It meets six to eight times a year. The Board met six times during the year ended 31 March 2022.

Methods to appoint & recruit new charity trustees

The Wheatley Group has sole responsibility for appointing and recruiting new charity trustees. The proposal to appoint new trustees requires two board members to provide signed approval as outlined in the Articles of Association.

Induction and training of trustees

Trustees undertake the Wheatley Group induction programme when first appointed and attend regular training and development thereafter as part of the Wheatley Group governance arrangements for Board members' induction and training.

TRUSTEES' REPORT (CONTINUED)

DIRECTORS REPORT (continued)

Setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is set with reference to the Wheatley Care remuneration policy. Remuneration of key management is delegated to the Group Chief Executive.

Management

During the year, the Trustees delegated day to day management of the Company to Laura Pluck, Managing Director of Wheatley Care.

Principal risks facing the Company

The Wheatley Care Board has overall responsibility for monitoring risk and the risk register is reviewed regularly by the Board. The most significant risks facing the Company are as follows:

Business Continuity and Disaster Recovery

Risk: The Wheatley Housing Group does not have adequate or tested Business Continuity / Disaster Recovery Plans in place for key business activities (for example: care provision/staff cover), resulting in significant disruption to service and avoidable reputational damage.

Comments and risk mitigation: A business continuity implementation group is responsible for collating, reviewing and designing the Group's Disaster Recovery and Business Continuity Plans. A programme to annually test these plans has been developed. Group Assurance continue to monitor progress and robustness of plans.

COVID-19 future waves

Risk: There is a risk that restrictions are re-implemented for future waves of Covid-19.

Comments and risk mitigation: Contingency plans are in place at both Group and local level for adapting service models including protocols for services depending on level of government restrictions. Operational safety manuals are able to be reinstated at short notice and we continue to maintain stocks of PPE. The Group also have a direct link into the Scottish Government through the sector resilience group to input and understand responses and guidance.

Care and support services

Risk: A failure in the care of an individual could result in serious personal harm, leading to risk to life and limb, financial liability and loss of future work due to reputational damage. The commissioning environment relating to care and support services creates risks that funding is insufficient to allow services to break-even while paying staff fair wages.

Comments and risk mitigation: Care and support services governance arrangements, including the authorising environment, are clear and have been approved. These include regular reviews of service financial positions and processes to hand back services which cannot be delivered in a financially viable manner. The Care Quality Framework approved in April 2022 is being implemented. The Care Assurance Framework is also in place to monitor compliance with policies and procedures and follow-up from Care Inspectorate visits. We closely monitor the changeover in service users and focus on redeployment of resources and improvements to help retention of users.

TRUSTEES' REPORT (CONTINUED)**DIRECTORS REPORT (continued)**

Care Assurance Framework (which includes monitoring the results from Care Inspectorate service visits and Group Assurance inspections) in place which assesses the quality of care and adherence to Care policies and procedures across Group. During the COVID-19 period, the Care Inspectorate is using video-calls to undertake reviews of Coronavirus controls in care homes. This approach will be rolled out to "Care at Home" registered services in the near future. There are also regular formal calls between inspection officers and registered managers.

Regular management review of service users' care packages to monitor where people are leaving the services and how to redeploy resources or attract new users.

The Protecting People Policy Framework sets out arrangement for protecting the People We Work For, including those considered to be vulnerable. Work to deliver against the Framework is reported to the Wheatley Care Board.

Independent auditor

In accordance with Section 485 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.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this trustees' 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 Trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

TRUSTEES' REPORT (CONTINUED)

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law they are required 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 trustees 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 charitable company and of the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 charitable company and to prevent and detect fraud and other irregularities.

DocuSigned by:

Lindsey J Cartwright

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Lindsey Cartwright
Trustee
08 September 2022

Wheatley House
25 Cochrane Street
Glasgow G1 1HL

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF WHEATLEY CARE

Opinion

We have audited the financial statements of Wheatley Care (“the charitable company”) for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cash Flow Statement, 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 charitable company’s affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 charitable 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 trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable 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 trustees’ conclusions, we considered the inherent risks to the charitable company’s business model and analysed how those risks might affect the charitable company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees’ 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 trustees’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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 charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of board members and management as to the charitable 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.

As required by auditing standards, taking into account our overall knowledge of the control environment, we perform

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF WHEATLEY CARE (continued)

procedures to address the risk of management override of controls, in particular the risk that entity management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to income recognition because of the limited opportunity and incentive for fraudulent revenue recognition and the limited judgement in respect of revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the charitable company's wide fraud risk management controls.

We also performed procedures including:

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

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 discuss with the board and other management (as required by auditing standards), and discussed with the board and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and 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.

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

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

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

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

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

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report, the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF WHEATLEY CARE (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended), we are required to report to you if in our opinion:

- the charitable company has not kept adequate and proper accounting records 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's trustees 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 charitable company, its members as a body and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Wilkie (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

319 St. Vincent Street.

Glasgow,

G2 5AS

21 September 2022

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

	<i>Notes</i>	Unrestricted funds £'000	Restricted Funds £'000	2022 Total funds £'000	2021 Total funds £'000
Income from:					
Charitable activities	6	20,758	44	20,802	20,134
Total		20,758	44	20,802	20,134
Expenditure on:					
Charitable activities	7	(20,452)	(44)	(20,496)	(19,866)
Total		(20,452)	(44)	(20,496)	(19,866)
Net income		306	-	306	268
Transfers between funds	13	-	-	-	-
Other recognised gains/(losses):					
Gain on business combination	8	-	-	-	329
Actuarial (losses)/gains on defined benefit pension schemes		463	-	463	(609)
Net movement in funds		769	-	769	(12)
Reconciliation of funds:					
Total funds brought forward	13	2,131	-	2,131	2,143
Total funds carried forward	13	2,900	-	2,900	2,131

The Statement of Financial Activities includes all gains and losses in the year and there is no material difference between the incoming resources for the financial year stated above and their historical cost equivalents. All incoming resources and resources expended derive from continuing activities.

The notes on pages 16 to 27 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

		2022	2021
	<i>Notes</i>	£'000	£'000
Current assets			
Debtors	9	1,821	1,232
Cash at bank and in hand		2,944	2,918
Total current assets		<u>4,765</u>	<u>4,150</u>
Creditors: amounts falling due within one year	10	(1,860)	(1,435)
Net current assets		<u>2,905</u>	<u>2,715</u>
Total assets less current liabilities		2,905	2,715
Defined benefit pension scheme liability	11	(5)	(584)
Net assets		<u>2,900</u>	<u>2,131</u>
The funds of the charity			
Unrestricted income funds	13	2,900	2,131
Total charity funds		<u>2,900</u>	<u>2,131</u>

The financial statements were approved and authorised for issue by the Trustees on 8 August 2022 and signed on their behalf on 08 September 2022 by:

DocuSigned by:

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 Lindsey Cartwright
 Trustee

The notes on pages 16 to 27 form part of these financial statements.

Company Registration Number SC252526.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021	
	£'000	£'000	
Reconciliation of operating surplus to net cash inflow from operating activities			
Net incoming resources	306	268	
Increase in debtors	(310)	(337)	
Increase in creditors	124	267	
Increase in amount due from Group Companies	22	791	
Gain on business combination	-	329	
Difference between cash contributions and pension charge	(116)	(120)	
Net cash inflow from operating activities	<u>26</u>	<u>1,198</u>	
Increase in cash in the year	<u>26</u>	<u>1,198</u>	
Reconciliation of net cashflow to movement in net funds			
Net funds at 1 April	<u>2,918</u>	<u>1,720</u>	
Net funds at 31 March	<u>2,944</u>	<u>2,918</u>	
Analysis of changes in net funds			
	Opening balance	Cashflows	Closing balance
	£'000	£'000	£'000
Cash at bank and in hand	<u>2,918</u>	<u>26</u>	<u>2,944</u>
Net funds	<u><u>2,918</u></u>	<u><u>26</u></u>	<u><u>2,944</u></u>

The notes on pages 16 to 27 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**1. Legal status**

Wheatley Care, is a private company incorporated, domiciled and registered in Scotland in the UK. The registered number is SC252526 and the registered address is Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL. Wheatley Care is also a registered charity; the registered Charity Number is SC034584.

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 to all period presented in these financial statements.

Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention, in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Companies Act 2006, Financial Reporting Standard 102 (FRS 102) and applicable accounting standards in United Kingdom. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Wheatley Housing Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Wheatley Housing Group are available to the public and may be obtained from Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

As the consolidated financial statements of the ultimate parent undertaking include the disclosures equivalent to those required by FRS 102, the Company has taken the exemptions available in respect of the following disclosures:

Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons.

The Company prepares a 5-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in February 2022 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan which included updated scenarios in recognition of the Covid-19 pandemic including severe but plausible downsides. The stress testing impacts were measured against available cash levels with potential mitigating actions identified to reduce expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**2. Accounting policies (continued)**

The Board, after reviewing the Company budgets for 2022/23 and the Company's financial position as forecast in the 5-year business plan, including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the Company has adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). In reaching this conclusion, the Board has considered the following factors:

- Service charges receivable – arrears and bad debt assumptions have been increased to allow for difficulties in collecting payments due;
- Activity levels – scenarios in relation to a reduction in the number and size of care services provided have been undertaken to assess the impact of the reduction in turnover and the costs of reconfiguring care services;
- Liquidity – current available cash of £2.9m and access to a revolving credit facility of £1.0m gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period;
- Service charge increases - Scottish Government has committed to secure uplifts in funding for adult social care workers providing direct care and support to adults in care homes, care at home, day care and delegated housing support in the coming financial year.

The Board believe the Company has sufficient funding in place and expect the Company to remain financially viable even in severe but plausible downside scenarios.

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

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.

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 respect of the:

- Determining the value of the Company'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;
- Allocation of share of assets and liabilities for multi-employer pension schemes. Judgments in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi-employer pension schemes and estimations performed by the Group's actuarial advisers.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
(CONTINUED)****2. Accounting policies (continued)****Income***Basis for recognition of income*

Income from charitable activities and other income are recognised when there is entitlement, any performance conditions attached have been met, it is probable income will be received and the amount can be realised reliably.

Income from charitable activities

The charity receives income from service contracts and grant funding, which are included in income from charitable activities. These types of income are subject to specific performance conditions and entitlement is earned as the related services are provided. Income is deferred where performance conditions have not been met. Income from charitable activities also includes contributions received from service users for staff to accompany them on holidays and contributions from Loretto Housing Association Limited ("LHA") towards property related costs where Wheatley Care provides support from premises owned by LHA.

Expenditure

Resources are expended in the period to which they relate and when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Activity based reporting

The Trustees are of the opinion that the charity has a single activity and there is no requirement to provide further analysis within the notes to the financial statements.

Financial instruments

All financial assets and liabilities are held initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method.

Pensions*Pensions Trust Scottish Housing Association Pension Scheme – Defined Benefit*

Wheatley Care previously participated in the Pensions Trust Scottish Housing Association Pension Scheme ("SHAPS") Defined Benefit Pension Scheme. The scheme is now closed. Members transferred to the SHAPS Defined Contribution Scheme on 1 July 2013. Retirement benefits to employees are funded by contributions from all participating employers and employees in 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, Loretto Care's share of the scheme assets and liabilities have been separately identified and are included in the Company'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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
(CONTINUED)****2. Accounting policies (continued)****Pensions (continued)**

The Company'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.

Pensions Trust Scottish Housing Association Pension Scheme – Defined Contribution

Employer contributions are recognised in the Statement of Financial Activities in the period to which they relate and when a liability is incurred. They are allocated between restricted and unrestricted funds where the expenditure is directly attributable.

Taxation

The company is considered to pass the tests as set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 1992 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Value Added Tax

The Company is registered for VAT and is a member of the Wheatley VAT group. The majority of its income is exempt for VAT purposes, giving rise to no VAT liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)**3. Employees**

Number of employees	2022 Number	2021 Number
The average number of employees during the year were:		
Headcount	690	671
Full time equivalent	544	537

All staff are employed by the charity with costs being recharged to other group entities where appropriate.

Employment costs	2022 £'000	2021 £'000
Staff costs (for the above persons)	13,740	12,994
Social security costs	1,089	991
Employer's pension costs	456	439
Pensions past service deficit	130	125
Agency staff costs	144	163
	15,559	14,712

4. Trustees' emoluments

None of the trustees received any remuneration for their services or reimbursement of expenses directly from Wheatley Care (2021 – nil).

5. Net incoming resources for the year

	2022 £'000	2021 £'000
Net incoming resources is stated after charging:		
Auditors' remuneration – audit services	18	12

6. Incoming resources from charitable activities

	2022 £'000	2021 £'000
<i>Unrestricted income:</i>		
Local authority contract income	16,103	15,620
Care service contribution from Loretto Housing Association Limited	985	1,088
Contribution from service users	120	146
Services provided to Registered Social Landlords	2,959	2,909
Other income	591	327
	20,758	20,090
<i>Restricted income:</i>		
Grant income	44	44
	20,802	20,134

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

7. Charitable activities

	2022	2021
	£'000	£'000
<i>Unrestricted expenditure:</i>		
Management charges payable	231	201
Staff costs	16,835	16,569
Premises costs	1,276	1,082
Running costs	2,096	1,969
Pension finance costs	14	1
	20,452	19,822
<i>Restricted expenditure:</i>		
Management charges	-	2
Staff costs	20	20
Running costs	24	22
	44	44
	20,496	19,866

8. Gain on business combination

The care activities of Barony Housing Association Limited were transferred to Loretto Care on 1 April 2020, combining the care activities of the Group into one single entity with Loretto Care trading thereafter under the name of Wheatley Care. No consideration was paid for these activities resulting in a gain on the transfer of the net assets of Barony's care activities of £329k. This was recognised in the Statement of Financial Activities in 2020/21. There were no such amounts in 2021/22.

	2021
	£'000
Gain on transfer of Care activities from Barony Housing Association Limited	329
	329

The following amounts were transferred:

	2021
	£'000
Current assets	556
Current liabilities	(227)
Net current assets	329
Net assets	329

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

9. Debtors

	2022 £'000	2021 £'000
Amounts owed by group undertakings	447	169
Other debtors	1,374	1,063
	1,821	1,232

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

10. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	42	93
Taxation and social security costs	347	333
Other creditors	83	166
Accruals and deferred income	829	584
Amounts due to group undertakings	559	259
	1,860	1,435

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

11. Pensions

Pensions Trust Scottish Housing Association Pension Scheme – Defined Benefit

Loretto Care participated in the Pensions Trust Scottish Housing Association Pension Scheme (“SHAPS”), and all active employee members transferred to the SHAPS Defined Contribution scheme with effect from 1 July 2013. SHAPS is a multi-employer defined benefit scheme and is funded and contracted out of the State Pension Scheme.

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 2021. The results of the formal valuation are not yet available.

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 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)**11. Pensions (continued)**

Following consideration of the results of the last valuation at 30 September 2018, the shortfall in the scheme reduced from £198m to £121m. It was agreed that this would continue to be dealt with by the payment of additional contributions. These were previously set at 5.4% of pensionable salaries per annum with effect from 1st April 2014 for a period of 8 years with the scheme expected to reach a fully funded position by 2022. The next formal valuation of the scheme is due to be carried out at 30 September 2021 and to ensure the ongoing funding of the scheme whilst the valuation is prepared, the Trustees have agreed to extend the period over which additional contributions are payable by one year to March 2023. Past service deficit contributions continue to increase each 1st 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 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.

A recent review of changes made to the scheme's benefit structure has been undertaken by the Trustees in line with their duty to administer the scheme in accordance with the rules. The review involves clarification of the treatment of historic changes made to scheme benefits and from initial findings it has been determined that in some cases it is unclear whether changes made to the scheme benefits have been in accordance with the governing documentation. Direction has been sought from the High Court and the matter is currently under consideration. Any potential requirement to review member benefits is not expected to have a material impact on the liabilities of the scheme based on current calculations and no provision has been made when valuing the scheme liabilities pending the outcome of the process.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)**11. Pensions (continued)****Defined Benefit assets and obligations**

The assumptions that have the most significant effect on the results of the valuation of the organisation's 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 2022	31 March 2021
Discount rate	2.70%	2.05%
Future salary increases	2.20%	*1.85%
Inflation	3.20%	2.80%

*Salary increases are assumed to be 1.50% p.a. for the first three years and 2.00% p.a. thereafter.

In valuing the liabilities of the pension fund at 31 March 2022, mortality assumptions have been made as indicated below. The assumptions relating to longevity underlying the pension liabilities at the date of the Statement of Financial Position 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:

- Current pensioner aged 65: 21.6 years (male) (2021: 21.5 years), 23.9 years (female) (2021: 23.4 years).
- Future retiree upon reaching 65: 22.9 years (male) (2021: 22.8 years), 25.4 years (female) (2021: 25.0 years).

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)**11. Pensions (continued)***Movements in present value of defined benefit obligation:*

	2022	2021
	£'000	£'000
Opening defined benefit obligation	5,096	4,298
Interest cost	103	104
Actuarial (gain)/loss	(269)	796
Estimated benefits paid	(106)	(106)
Administration costs	4	4
	4,828	5,096

Movements in fair value of plan assets:

	2022	2021
	£'000	£'000
Opening fair value of plan assets	4,512	4,203
Expected return on plan assets	93	103
Actuarial gain	194	187
Contributions by the employer	130	125
Estimated benefits paid	(106)	(106)
	4,823	4,512
Net liability	(5)	(584)

Expense recognised in the statement of financial activities:

	2022	2021
	£'000	£'000
Interest on net defined benefit obligation	10	1
Administration costs	4	4
	14	5

The total amount recognised in the statement of comprehensive income in respect of actuarial gains of £463k (2021: losses £609k).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

11. Pensions (continued)

The total amount recognised on the Statement of Financial Position is £5k liability (2021: £584k liability).

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

	2022 £'000	2021 £'000
Equities	954	698
Corporate bonds	305	340
Property	264	186
Alternatives	3,166	3,180
Cash	134	108
	4,823	4,512
Actual return on plan assets	287	290

12. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000
Fund balance at 31 March 2022 as represented by:			
Current assets	4,765	-	4,765
Current liabilities	(1,860)	-	(1,860)
Provision – pension liability	(5)	-	(5)
	2,900	-	2,900
At 31 March 2022	2,900	-	2,900
	Unrestricted funds £'000	Restricted funds £'000	2021 Total £'000
Fund balance at 31 March 2021 as represented by:			
Current assets	4,105	-	4,105
Current liabilities	(1,390)	-	(1,390)
Provision – pension liability	(584)	-	(584)
	2,131	-	2,131
At 31 March 2021	2,131	-	2,131

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)**13. Unrestricted income funds**

	1 April 2021 £'000	Incoming £'000	Outgoing £'000	Other gains/ (losses) £'000	31 March 2022 £'000
General funds	2,715	20,758	(20,568)	-	2,905
<i>Designated funds</i>					
Pension reserve	(584)	116	-	463	(5)
At 31 March	2,131	20,874	(20,568)	463	2,900
	1 April 2020 £'000	Incoming £'000	Outgoing £'000	Other gains/ (losses) £'000	31 March 2021 £'000
General funds	2,238	20,090	(19,942)	329	2,715
<i>Designated funds</i>					
Pension reserve	(95)	120	-	(609)	(584)
At 31 March	2,143	20,210	(19,942)	(280)	2,131

*Purposes of designated funds:***Pension Reserve**

The charity has set aside a separate pension reserve. This reserve represents the latest actuarial valuation of the defined benefit pension scheme at the reporting date. The valuation is carried out annually and the reserve updated. The charity has elected to produce full FRS 102 disclosures.

14. Company limited by guarantee

The charity has no share capital and is a company limited by guarantee. The sole member is Wheatley Housing Group, which has undertaken to contribute such amount not exceeding £1 as may be required in the event of the charity winding up.

15. Ultimate parent organisation

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

The only group into which the results of the charity 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.

SUPPLEMENTARY INFORMATION

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