



ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31 March 2021

The Wheatley Foundation Limited

(Registered Company No. SC461602)

(Registered Charity No. SC046607)

TRUSTEES' ANNUAL REPORT

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

Principal activities

The Wheatley Foundation Limited ("Wheatley Foundation" or "the Charity") is a wholly owned subsidiary of the Wheatley Housing Group Limited ("Wheatley Group"). 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 Charity is Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

The Directors serving during the year and since the year end are detailed on page 5.

The Wheatley Foundation's charitable aim is to support customers of Wheatley Group who are disadvantaged.

The charity uses donations from certain Wheatley Group subsidiaries and external funding to help our customers, many of them vulnerable, in five key areas of life: social exclusion and tackling poverty; employability; education; digital inclusion; and sports and art.

STRATEGIC REPORT

The Wheatley Foundation supported over 24,000 people this year, many of whom were facing real hardship.

During the year we secured £1.6m in external funding, and in total, the Foundation invested £6.1m in our projects over 2020/21.

The year will be remembered as an extraordinary and exceptionally difficult one, with unprecedented circumstances affecting the business, our staff, and most importantly, our customers.

The pandemic left many Wheatley customers facing severe financial hardship, and Wheatley Foundation's emergency food service *EatWell* and *Emergency Response Fund* were at the forefront of the Group's customer support package, particularly during the first six months of the year.

The *Emergency Response Fund*, set up to alleviate hardship and isolation during the pandemic, helped 6,751 customers with one-off essential purchases, ranging from fridges and mobile phone-top ups to family activity packs.

EatWell supported 11,325 Wheatley households experiencing significant hardship and delivered more than 33,000 food packs or supermarket vouchers in 2020/21.

Restrictions caused by the pandemic meant we concentrated on supporting customers through our poverty, employability and education programmes this year.

The pandemic saw the suspension of Wheatley Works for much of the year, but we still managed to support 188 people across various training and employment opportunities over the year.

STRATEGIC REPORT (continued)

We supported around 18,000 people through our Poverty and Social Inclusion programmes, including money advice and help with accessing benefits through *My Great Start*, even more important this year given the financial difficulties people faced because of the pandemic.

Our partnership with the Dolly Parton Imagination Library continued, and we sent monthly books to 619 children this year, with almost 5,800 books delivered over the 12 months.

We also supported 77 of our customers at university or college with an education bursary.

Customer comments this year:

Customers have told us of the positive impact our programmes have had on their lives.

Army veteran Joe Stevenson, 92, from Glasgow, received help through *EatWell*. He said: "I can't leave the house, so the food parcels are a big help to me. I really appreciate it. It shows you are really looking out for us."

Another customer who received help through *EatWell* told us: "I had just come out of hospital, had no family connections and was worried and feeling vulnerable. This was a life-saver to me."

Tenant Lisa Samazie, from Wishaw, received activity packs for her children through the *Emergency Response Fund*. She said: "It was a really nice surprise and the kids love them. It shows how much you care."

One young person who landed an apprentice opportunity through Wheatley Works told us: "This is a dream for me. I now can have the chance of having a great job and security for my future."

Erin Kennedy, from Annan, who received an education bursary, said: "The bursary was like magic. It's made me more financially comfortable and given me peace of mind."

Poverty and Social Inclusion

This year, we supported around 18,000 people facing hardship or financial difficulty through our Poverty and Social Inclusion programmes.

Our hugely-expanded *EatWell* initiative supported 11,325 households, delivering over 33,000 food packs or supermarkets vouchers, helping customers affected by health issues, financial hardship and reduced income during the pandemic.

Of the 11,325 households supported, 7,839 received food packages and 3,486 received supermarket vouchers. A total of 60% of customers receiving food vouchers lived in the 20% most deprived areas of the country.

The Foundation distributed Wheatley Group's Christmas vouchers scheme this year, which supported families with a £30 supermarket voucher for each child in the household. A total of 15,798 Tesco, Asda or Sainsbury's vouchers were distributed to 8,266 households to help with Christmas purchases.

The *Emergency Response Fund* was launched quickly at the start of the year and, with the help of external funding, supported 6,751 customers with one-off essential purchases ranging from mobile phones and fuel top ups to beds, cookers and fridges. We issued digital vouchers, where possible, to speed up the process and give customers more choice.

STRATEGIC REPORT (continued)

My Great Start, our dedicated money advice service, supported 1,692 people this year with vital financial and money advice, helping secure just over £1m of financial gain for customers.

Covid restrictions meant our *Home Comforts* project, which delivers free up-cycled furniture, electrical appliances and white goods to customers, was scaled back for much of the year. Nevertheless, we managed to support 442 households with 1,626 items of furniture, white goods or electrical items. Each household received, on average, four items from the service, with 70% of customers supported on Universal Credit or unemployment benefit, and 36% homeless or Housing First customers.

We supported 940 people through our *Local East* programme, with employability support, digital inclusion and fuel advice. Projects included Dunedin Canmore Youth Project, Forget Me Notes for older customers with dementia, and Digital Skills for All.

Employability

The pandemic meant *Wheatley Works* was suspended for much of the year, which significantly reduced our level of activity.

Nevertheless, we continued to pass referrals to our delivery partners and some local employability projects continued to support young people in Wheatley communities.

As a result, we secured 188 training and employment opportunities this year, including young people who joined Wheatley's apprenticeship programme, our partners City Building's apprenticeship programme; the community benefit clauses in Wheatley's new-build and investment programmes; and Environmental Roots, our four-week pre-employment training programme in environmental maintenance.

Education

The Foundation supported 77 Wheatley customers to attend university or college through a Foundation Bursary, with recipients going on to train in professions as diverse as teaching, social care and physiotherapy.

Over the year, 619 children in Wheatley communities were registered with the Dolly Parton Imagination Library and received a free monthly book, with 5,798 books delivered this year. Over 60% of the children live in the 20% most deprived areas in Scotland.

The Foundation also supports the Children's University Scotland, which helped 5,251 children across the country access wider learning activities, adapted this year to include home learning resources and play packs.

PLANS FOR THE FUTURE

The Foundation values its external partners and will continue to build on its strong track record of securing external funding, with the aim to diversify the funding base as much as possible. This includes working alongside our strategic partners in the Scottish Government, local authorities, and independent charities and trusts, to deliver our shared goals of supporting vulnerable people.

DIRECTORS' REPORT

Financial Overview

Total income for the year was £6,566k by way of grants claimed for charitable activities and from donations and gift aid payments made by subsidiaries within the Wheatley Group (2020: £5,269k).

The charity invested a total of £6,145k during the year across a wide range of projects (2020: £4,890k).

The Wheatley Foundation has funds carried forward of £1,572k as at 31 March 2021 which will be utilised to meet its charitable aims in future years (2020: £1,156k).

Principal funding sources

The charity's principle funding sources are from other Wheatley Group subsidiaries and grant awards from local authorities and the Scottish Government.

Directors

The Directors of the Charity who were in office during the financial year and up to the date of the financial statements were:

Sir Harry Burns

Eric Gibson

Sheila Gunn

Jean Fyfe

Helen Howden

Jean Albert Nietcho - resigned 18 September 2020

Patrick Gray - appointed 1 December 2020

John McCraw - appointed 1 December 2020

Independent auditor

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

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 Charity'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 Charity's auditor is aware of that information.

DIRECTORS' REPORT (continued)

Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland.

Governance

The governing body of the charity is known as the Board and has spaces for up to seven directors. It meets four to six times a year. The charity is governed by an Articles of Association under the Companies Act.

Management

The Directors have delegated day to day management of Wheatley Foundation to Lorraine McLaren, Director of Wheatley Foundation.

Methods to appoint & recruit new charity directors

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

Reserves policy

Decisions on whether to make a financial commitment to support Wheatley Foundation projects are made by formal sign off by Directors at Wheatley Foundation board meetings. As part of the approval process Directors only approve new projects that can be met from existing reserves.

Principal risks facing the Charity

One of the key considerations for the Wheatley Foundation is to manage cashflow so that it does not find itself with a cash shortfall. This risk is mitigated through regular financial monitoring being provided to the Wheatley Foundation Board so that the Board are made aware of available cash that can be committed before any decision is taken on whether to approve a new initiative that is looking to secure funding.

The competitive nature of the external funding environment could mean that the Foundation finds it difficult in securing money from external sources although this risk is mitigated by on-going dialogue with key partners so that the Board is aware of funding sources that the Charity can apply for funding from.

Selecting and delivering projects which deliver maximum benefit to communities across the Group is one of the main considerations for the Foundation. The formal approvals process put in place should help to ensure that the Foundation Board direct funding to achieve the maximum impact across our communities.

DIRECTORS' REPORT (continued)

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

Statement of Trustees' responsibilities in respect of the Trustees' Annual Report and the financial statements

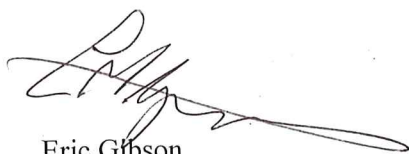
The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

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.



Eric Gibson

Director

26 August 2021

Wheatley House
25 Cochrane Street
Glasgow, G1 1HL

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

Opinion

We have audited the financial statements of The Wheatley Foundation Limited ("the charitable company") for the year ended 31 March 2021 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 1.

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 2021 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 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.

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

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.

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.

Secondly, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: certain aspects of charities, health and safety, and employment law recognising the charitable company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence of any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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.

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.

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

Trustees' responsibilities

As explained more fully in their statement set out on page 7, 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

23 September 2021

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	<i>Note</i>	Unrestricted funds £'000	Restricted funds £'000	2021 Total £'000	2020 Total £'000
Incoming resources					
Donations	4	5,134	274	5,408	4,015
Incoming resources from charitable activities	5	238	920	1,158	1,254
Total incoming resources		5,372	1,194	6,566	5,269
Resources expended					
Charitable activities	6	(4,951)	(1,194)	(6,145)	(4,889)
Governance costs	7	(5)	-	(5)	(5)
Total resources expended		(4,956)	(1,194)	(6,150)	(4,894)
Net incoming resources before transfers and net income for the period		416	-	416	375
Gross transfers between funds	11,12	-	-	-	-
Net incoming resources for the period before other recognised gains		416	-	416	375
Net movement in funds		416	-	416	375
Fund balances brought forward at 1 April		1,156	-	1,156	781
Fund balances carried forward at 31 March	11,12	1,572	-	1,572	1,156

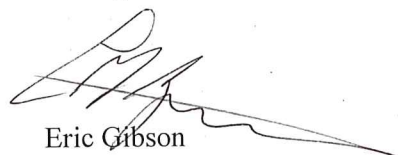
The Statement of Financial Activities includes all gains and losses in the year and there is no material difference between the incoming resources for the financial year stated above and their historical cost equivalents. All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 21 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<i>Note</i>	2021 £'000	2020 £'000
Current assets			
Debtors	8	197	46
Cash and cash equivalents	9	2,079	3,104
Total current assets		<u>2,276</u>	<u>3,150</u>
Creditors: amounts falling due within one year	10	(704)	(1,994)
Net current assets		<u>1,572</u>	<u>1,156</u>
Total assets less current liabilities		1,572	1,156
Net assets		<u><u>1,572</u></u>	<u><u>1,156</u></u>
The funds of the charity			
Unrestricted income funds	11	1,572	1,156
Restricted income funds	11	-	-
Total charity funds		<u><u>1,572</u></u>	<u><u>1,156</u></u>

The financial statements were approved and authorised for issue by the directors on 19 August 2021 and signed on their behalf on 26 August 2021 by:



Eric Gibson

Trustee

The notes on pages 14 to 21 form part of these financial statements.

Company registration number SC461602.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£'000	£'000
Reconciliation of operating surplus to net cash inflow from operating activities		
Net incoming resources	416	375
(Increase) / decrease in debtors	(147)	76
Increase / (decrease) in creditors	130	(46)
(Increase) / decrease in amount due from Group companies	(4)	29
Decrease in amount due to Group companies	(1,420)	(114)
Net cash (outflow)/inflow from operating activities	(1,025)	320
(Decrease)/increase in cash in the year	(1,025)	320
Reconciliation of net cashflow to movement in net funds		
(Decrease)/increase in cash in the year	(1,025)	320
Net funds at 1 April	3,104	2,784
Net funds at 31 March	2,079	3,104

Analysis of changes in net funds

	Opening balance	Cashflows	Closing balance
	£'000	£'000	£'000
Cash at bank and in hand	3,104	(1,025)	2,079
Net funds	3,104	(1,025)	2,079

The notes on pages 14 to 21 form part of these financial statements.

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

1. Accounting policies

Accounting convention

The Wheatley Foundation Limited ("Wheatley Foundation" or "the charity") is a company limited by guarantee.

The principal accounting policies, which have been applied consistently throughout the year are set out below.

As the charity is a wholly owned subsidiary of the Wheatley Group it has taken advantage of the exemption contained in Financial Reporting Standard 102 and has therefore not disclosed transactions or balances with entities which form part of the group as related parties.

Basis of preparation

These financial statements are prepared under the historical cost convention and 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 the United Kingdom.

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

The Group and charity prepares a business plan which is updated and approved on an annual basis. The charity's most recent 5 year business plan was approved in February 2021 by the Board. The Group Board approved its 30 year business plan at their meeting also in February 2021. As well as considering the impact of a number of scenarios on the business plan the Group Board also adopted a stress testing framework against the base plan which included updated scenarios in recognition of the ongoing 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.

The Board, after reviewing the charity budgets for 2021/22 and charity's financial position as forecast in its business plan and being assured that the Group Board has undertaken a similar review, including changes arising from the Covid-19 pandemic and in recognition of the proportion of income derived from other Wheatley Group subsidiaries, is of the opinion that, taking account of severe but plausible downsides, the charity 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 Group Board and the Board considered the following factors in their respective review of the Group and charity's financial position:

- Rent and service charge receivable – arrears and bad debt assumptions have been increased to allow for customer difficulties in making payments and budget and business plan scenarios have been updated to take account of potential future changes in rent increases;
- The property market – budget and business plan scenarios have taken account of delays, remobilisation planning and reprofiled new build handovers;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

1. Accounting policies (continued)

- Maintenance costs – budget and business plan scenarios have been modelled to take account revised profiles of repairs and maintenance expenditure, with major works being phased into future years;
- Development activity – forecast development expenditure has been modelled to take account of potential revised investment profiles;
- Liquidity – current available cash of £2.1m and other forecast cash flows over the going concern assessment period;
- The Group and charity's ability to withstand other adverse scenarios such as higher interest rates and increases in the number of void properties.

The Board believe the Group and charity have sufficient funding in place and are satisfied that the Group will be in compliance with its debt covenants even in severe but plausible downside scenarios. Specifically, Wheatley Foundation has limited financial commitments and manages these such that it does not commit to funding in advance of confirmed income from donations. It is therefore able to manage its cashflows as outlined in the Directors' report on pages 5 to 7.

Consequently, the Board is confident that the Group and charity will have sufficient funds to continue to meet their 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.

Incoming resources

Basis for recognition of income resources

Income from charitable activities and other income are recognised when there is entitlement, certainty or receipt and the amount can be measured with sufficient reliability.

Income for charitable activities

The charity receives income from grant funding which are included is 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.

Donations

The charity receives donations and gift aid payments from Wheatley Group subsidiaries to be allocated to activities in line with the charity's aims.

Resources expended

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

1. Accounting policies (continued)

Activity based reporting

The Directors 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.

Taxation

As a charity, Wheatley Foundation is exempt from corporation tax on its 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.

Value Added Tax

Wheatley Foundation is registered for VAT as part of Wheatley Housing Group's VAT group. Its income is exempt for VAT purposes, giving rise to no VAT liability.

Employees

The Company has no employees. Staff are employed by another group company and seconded to Wheatley Foundation.

2. Remuneration of Directors

The Directors did not receive any emoluments in respect of their services or reimbursement of expenses directly from Wheatley Foundation.

3. Net incoming resources for the year

	2021 £'000	2020 £'000
Net incoming resources is stated after charging:		
Auditor's remuneration – audit services	5	5

4. Donations

Unrestricted income:

Donations from group undertakings	1,724	860
Gift aid from group undertakings	3,219	3,000
Donations Other	191	152

Restricted income:

Donations Other	274	3
	5,408	4,015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

5. Incoming resources from charitable activities

	2021	2020
	£'000	£'000
<i>Unrestricted income:</i>		
Grant income	238	918
<i>Restricted income:</i>		
Grant income	920	336
	<u>1,158</u>	<u>1,254</u>

6. Charitable activities

	2021	2020
	£'000	£'000
<i>Unrestricted resource expenditure:</i>		
Direct project costs	2,330	1,360
Running costs	309	32
Seconded staff costs	2,312	3,094
<i>Restricted resource expenditure:</i>		
Direct project costs	1,027	264
Seconded staff costs	167	139
	<u>6,145</u>	<u>4,889</u>

7. Governance costs

	2021	2020
	£'000	£'000
External audit fees	<u>5</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

8. Debtors

	2021	2020
	£'000	£'000
Amounts owed by group undertakings	48	44
Prepayments	110	-
Other debtors	39	2
	<u>197</u>	<u>46</u>

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

9. Cash and cash equivalents

	2021	2020
	£'000	£'000
Cash at bank	2,079	3,104
	<u>2,079</u>	<u>3,104</u>

10. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Accruals and deferred income	295	165
Amounts due to group undertaking	409	1,829
	<u>704</u>	<u>1,994</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

11. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balance at 31 March 2021 as represented by:			
Cash at bank and in hand	1,839	240	2,079
Other net current liabilities	(267)	(240)	(507)
	<hr/>	<hr/>	<hr/>
At 31 March 2021	1,572	-	1,572

Analysis of net assets between funds – previous year

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balance at 31 March 2020 as represented by:			
Cash at bank and in hand	3,082	22	3,104
Other net current liabilities	(1,926)	(22)	(1,948)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	1,156	-	1,156

12. Analysis of charitable funds

Analysis of movements in unrestricted funds

	1 April 2020 £'000	Incoming £'000	Outgoing £'000	Transfers £'000	31 March 2021 £'000
General funds	1,156	5,372	(4,956)	-	1,572
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March	1,156	5,372	(4,956)	-	1,572

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

12. Analysis of charitable funds (continued)

Analysis of movements in restricted funds

	1 April 2020 £'000	Incoming £'000	Outgoing £'000	Transfers £'000	31 March 2021 £'000
Scottish Government Strategic Partnership	-	250	(250)	-	-
Illegal Money Lending Project	-	22	(22)	-	-
Emergency food packages	-	330	(330)	-	-
Emergency response fund	-	412	(412)	-	-
Fuel poverty top ups	-	20	(20)	-	-
Energy redress funding	-	109	(109)	-	-
Scottish Government Benefit Take Up Fund	-	44	(44)	-	-
Revive project	-	7	(7)	-	-
At 31 March 2021	-	1,194	(1,194)	-	-

Name of restricted fund

Description, nature and purposes of the fund

Scottish Government Strategic Partnership

To work with disadvantaged communities to increase community experience and capability, foster leadership, and carry out community engagement through three key strands – the Wheatley Works pre-employability programme and building financial capability & community connections

Illegal Money Lending Project

In partnership with COSLA, this project tackles illegal money lending through financial awareness training for Wheatley Group customers and promoting financial inclusion.

Emergency Food Packages

To provide emergency food packages to support customers between period of and being accepted to receive Universal Credit, or experiencing significant financial hardship.

Emergency Response Fund

To provide emergency support to support customers who were suffering financial hardship, often due to the impact of Covid 19 pandemic

Fuel poverty top ups

Fund facilitated by GCC to citizens who have stated that they are in fuel poverty as a result of being required to self-isolate due to Covid-19 pandemic

Energy Redress Funding

To support Big Energy Saving Network project by providing energy advice and awareness to customers who are at risk of fuel poverty as well as training staff who will be working with these customers

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTINUED)

12. Analysis of charitable funds (continued)

Name of restricted fund	Description, nature and purposes of the fund
Scottish Government Benefit Take Up Fund	Project to develop a benefit take up campaign across the group for 15,000 customers who at the moment do not claim any benefits.
Revive project	Homeless prevention project to reduce instances of homelessness through early engagement

13. Financial commitments

At 31 March 2021, the charity had no annual financial commitments under non-cancellable land and buildings operating leases (2020: none).

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 Limited, 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

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

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

SUPPLEMENTARY INFORMATION

Secretary and Registered Office

Anthony Allison
The Wheatley Foundation Limited
Wheatley House
25 Cochrane Street
Glasgow G1 1HL

Independent auditor

KPMG LLP
319 St Vincent Street
Glasgow G2 5AS

Banker

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