



ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended

31 March 2025

WH Glasgow Limited

(Co-operative and Community Benefit Society No. 2572RS)
(Scottish Housing Regulator Registration No. 317)
(Scottish Charity No. SC034054)

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2025.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation. Wheatley Homes Glasgow ("WH Glasgow") is Scotland's largest social landlord owning and maintaining over 43,000 affordable homes to let in Glasgow, firmly rooted in its local communities. It has a skilled, committed workforce of over 1,700 staff, who deliver sector-leading frontline services.

OPERATING REVIEW

Customers are at the heart of our decision making and we strive to ensure the services we deliver are clearly aligned with their needs. Our overall customer satisfaction reflects this at 87% and we had high levels of satisfaction in other measures including tenancy sustainment of 93%. We completed the construction of 178 new homes and working with the Wheatley Foundation we continued to support our customers navigate difficult economic challenges.

We deliver services to our customers through our network of housing officers supported by our 24/7 Customer First Centre (CFC) and our locally based environmental teams. We have a strong neighbourhood focus when delivering services to our customers using our "Think Yes" approach. Our housing officers work in small patch sizes managing between 200 and 250 tenancies. This allows them to understand the local issues that affect our customers and their communities and services that are tailored and personalised to customer's needs and circumstances. Annual tenant visits provided customers further opportunity to engage with us; discuss concerns they may have and helped us ensure our homes are in a good condition.

With the Scottish Government declaring a national housing emergency in May 2024, our commitment to tackling homelessness is an ever more important element of our five-year strategy. We allocated 1,707 homes to people who were homeless this year marking a significant contribution to tackling the housing emergency.

Customer engagement remains at the heart of delivering our services, and 815 customers had signed up to our Stronger Voices customer engagement programme by the end of the year providing us with views and feedback on our services. Our high levels of tenant satisfaction show the success of our commitment to ensuring services reflect our customers' priorities.

Building on the success of our 'Book It, Track It, Rate It' app where customers can book a repair online, track progress on the day and provide feedback afterwards, our 24/7 Customer First Centre specialists worked more closely than ever with frontline housing teams to deliver improvements to the repairs service, resolving issues more quickly. In the year, total expenditure on repairs and capital improvements to our existing homes and communities was £134.0m. We also grew the number of affordable homes completing 178 new homes during the year.

Wheatley Foundation, the Group's charitable arm, continued to alleviate the impact of poverty on the people we work for and help them access educational, training and employment opportunities. The Foundation created 533 jobs, training and apprenticeship opportunities for people in our homes and communities over the year, helped 5,047 customers with benefit claims, and gave 807 households free furniture through the Home Comforts service.

As we move into the final year of our 2021 to 2026 Your Home, Your Community, Your Future strategy and look to develop our new 2026 to 2031 strategy, we will continue to give people even more of a say on what happens in their communities, ensure our services are aligned with our customers' needs, and find new ways of supporting the people we work for through the challenges which lie ahead.

DIRECTORS' REPORT (continued)

OPERATING REVIEW (continued)

Here are some of the highlights of the year:

Building new homes

WH Glasgow built 178 new homes over the year, 87 for social rent and 91 for mid-market rent.

Our completed new homes included:

- 123 homes (91 for mid-market rent and 32 for social rent) at Calton Village;
- 8 homes for social rent in two phases at Cleddans Grove, Drumchapel; and
- 47 homes for social rent at Shandwick Street, in Easterhouse.

We also started work on 58 new homes in North Toryglen and 75 homes in Pollokshaws.

The demolition of three multi-storey blocks in Wyndford in March 2025, and the top down demolition of the final remaining block, will pave the way for WH Glasgow's £100m transformation of the community, which will see almost 400 new, energy-efficient larger family homes built, 85% of which will be for social rent and the rest for mid-market rent. Work is expected to start on building those new homes in early 2027.

Investing in our homes

WH Glasgow delivered £53.1m of planned improvements to homes and communities over the year including:

- £1.5m on bathrooms, including completion of 89 new bathrooms at change of tenancy;
- £1.5m on external wall finishes, mainly fabric improvement of tenements in Cranhill;
- £6.0m on heating system boilers, including completion of 1,344 boiler replacements across the city;
- £1.0m on internal works and common areas, mainly in Riddrievalle, Townhead and the Saltmarket;
- £4.6m on kitchens including over 200 new kitchens installed at change of tenancy;
- £6.0m on mechanical, electrical and plumbing including new CCTV systems in Acre and Sandyhills, lifecycle replacements communal pumps and tanks in the Wyndford estate and over 200 house rewires;
- £1.4m on structure and roofs including improvements to building fabric and roof renewals in Castlemilk and sandstone tenements in the city centre; and
- £2.2m on windows and doors, including new windows in Castlemilk and Ruchazie.

Our repairs service

WH Glasgow carried out 203,670 reactive repairs over the year and a total of £80.9m was spent on planned and reactive maintenance. Our 'Book It, Track It, Rate It' app updates customers when their repair is booked, when the tradesperson is on their way, and also allows them to rate the service. The average rating over the year was 4.5 out of 5. Our average time to complete emergency repairs was 3.3 hours while non-emergency repairs averaged 7.9 days. The percentage of repairs completed right first time was 90.1%, in line with our 90% target.

Building safety

We continued our focus on dealing with reports of damp and mould in our homes. We have set quick response targets to deal with reports of damp or mould and grade all reports of damp and mould with the vast majority mild in nature, and very low numbers of cases where significant mould or damp are present. Over 8,500 condition surveys using a firm of independent property surveyors combined with in person visits from housing officers were carried out during the year which confirmed that our housing stock is in good condition.

DIRECTORS' REPORT (continued)**OPERATING REVIEW (continued)**

Helping our tenants stay safe from fire has always been our top priority, and the number of accidental fires in Wheatley homes fell by 21% over the year. WH Glasgow's own fire team carried out 348 person-centred fire risk assessments in our homes, and Scottish Fire and Rescue carried out 709 home fire safety visits. We installed 76 LD1 fire detection systems in our homes; delivered fire safety products such as fire-retardant bedding, ash trays and mail guards to 201 customers; carried out fire-related repairs to 163 homes; installed 51 stove guards in homes; and gave five customers specialised detection systems.

We continued to meet our compliance obligations in relation to gas and electrical safety requirements.

Improving our neighbourhoods

Our partnership with Keep Scotland Beautiful (KSB) sees the environmental charity assess the service delivered by our environmental teams. In 2024/25, all WH Glasgow neighbourhoods were rated as five-star, the highest possible grade. A total of 27 WH Glasgow customers are now trained in KSB's standards and environmental monitoring and take part in regular estate walkabouts with frontline staff.

We introduced a new Neighbourhood Environmental Improvement Team in Glasgow, tackling everything from gutter cleaning to seasonal maintenance. We also held four 'environmental weeks of action' over the year, working with schools, council partners, community groups, volunteers and our own contractors on litter-picks, recycling, tree planting and more. More than 500 people across Wheatley communities took part.

The Group Scrutiny Panel carried out a thematic review of our environmental services in 2024/25 and developed a report with 12 recommendations, with clarity of information, communication and partnership working as key themes. Our environmental teams are working through their recommendations to implement solutions to help further improve the service.

Our Community Improvement Partnership (CIP), the specialist team of police officers and our Anti-Social Behaviour Prevention and Intervention (ASBIP) officers, continued to support customers affected by anti-social behaviour. At the end of 2024/25, around 70% of neighbourhoods in the north-east and south of Glasgow, and 63% in north-west Glasgow, were classified as 'peaceful'.

Letting homes

In addition to allocating 1,707 homes to those experiencing homelessness, including 16 through Housing First, a multi-agency partnership to tackle rough sleeping in which Wheatley Group plays a leading role, we also 'flipped' 38 lets to permanent homes for the people who were homeless living in them.

Engaging with customers

We continued to engage with our customers as much as possible over the year, both online and in person. A total of 183,305 people used the WH Glasgow website in 2024/25, an increase of 9,570 from the year before.

DIRECTORS' REPORT (continued)**OPERATING REVIEW (continued)**

The number of customers registered with our Stronger Voices programme reached 815 by the end of 2024/25, with 64 focus groups and panel meetings, 104 walkabouts held over the year and 9 WH Glasgow customers were involved in the Group scrutiny panel. Feedback from customers informed a number of projects including the installation of a drying green in Thornwood, supporting a gardening group in Wyndford and new planters at St Edmund Court.

Supporting our customers

Around 46% of WH Glasgow customers are now on Universal Credit, an increase of 9% from last year. Our team of welfare benefits advisors support customers with benefit claims helping over 5,000 WH Glasgow customers this year, resulting in £13.1m of financial gain. Likewise our team of fuel advisors helped over 1,600 people.

Wheatley Foundation worked hard this year to help people in financial hardship, with over 14,000 instances of support to help alleviate the effects of poverty on our customers and communities.

As well as this, we:

- gave 807 households free upcycled furniture through Home Comforts;
- helped 818 new tenants with household budgeting, running a home and settling into their community through My Great Start;
- provided starter packs for 490 tenants who needed support moving into their home;
- created 533 jobs, training and apprenticeship opportunities for people in our homes and communities;
- provided recycled digital devices for 199 tenants through our Techshare initiative;
- awarded 35 people from our homes a bursary to go to college or university; and
- delivered food packs to 52 families.

A total of 1,959 children and young people in our homes and communities benefitted from Foundation programmes this year.

This included:

- 410 children under five who received a free book every month through the Dolly Parton Imagination Library initiative;
- 267 young people at schools across Glasgow who received a 'wee bursary'; and
- 283 young people in Glasgow who took part in StreetWyze anti-knife crime workshops.

Independent auditor

A resolution for the re-appointment of KPMG LLP as auditor is to be proposed at the forthcoming Annual General Meeting.

DIRECTORS' REPORT (continued)

FINANCIAL REVIEW

WH Glasgow generated an operating surplus of £54.3m (2024: £15.3m) for the year. The movement in the operating surplus is driven by the increase in grant income recognised in relation to new build properties, the change in the revaluation of our mid-market and commercial rental properties reported in other gains and losses and an increase in the surplus from core operations.

Before taking account of other gains and losses and the timing of grant income recognised on new build completions, an operating surplus was generated from core operations of £28.8m (2024: £12.1m). The increase of £16.7m in 2024/25 underlying operating surplus is driven by our strong letting performance and quick turnaround of properties when they become vacant and the rent increase applied in April 2024 generating an increase in income from our rents and service charges, together with an increase in grant income received in the year to support investment in our homes.

Non-cash items reported within operating surplus are:

- In other gains and losses there is an upward movement of £3.5m (2024: downward movement of £1.7m) on the revaluation of mid-market and commercial rental properties. Housing for mid-market and commercial properties are valued on an open market value subject to tenancies basis and the increase in value in the year of £3.5m (2024: loss of £1.7m) is reported in operating surplus.
- Grant income recognised on the completion of new build properties is £22.0m compared to £4.9m in the prior year, an increase of £17.1m. The grant received for new build is held on the Statement of Financial Position until the properties are completed when it is recognised as income through operating surplus. The amount recognised can vary from year-to-year dependant on the timing and size of the new build programme. A total of 178 new homes completed in 2024/25 compared to 71 new homes in 2023/24.

Turnover recognised in the Statement of Comprehensive Income in the year was £272.2m (2024: £231.6m). Of this total, 81.6% or £222.1m (2024: 89.4% or £207.0m) was generated through rental and service charge income, net of void losses. The remainder included:

- Grant income recognised on the completion of new build properties, grant received from the Social Housing Net Zero fund to deliver energy efficiency improvements in homes, grant for medical adaptations and grant received for demolitions works and property acquisitions totalling £34.2m (2024: £10.5m)
- Investment property income from the letting of mid-market homes and commercial shop units totalling £8.7m (2024: £7.9m)
- Other income for installation of bike shelters, way leave and solar panels and gift aid income from Wheatley Developments Scotland Ltd totalling £4.2m (2024: £3.4m)
- Income for support activities totalling £2.2m (2024: £2.1m)
- £0.3m (2024: £0.2m) of development & construction of property activities income in relation to funds received for re-investment into the housing properties.

DIRECTORS' REPORT (continued)

FINANCIAL REVIEW (continued)

Operating costs for the year amounted to £221.4m (2024: £214.5m). The main items of expenditure were as follows:

- Letting activity management and administration costs of £43.4m (2024: £41.4m)
- Planned repair and reactive maintenance costs of £25.0m and £55.9m respectively (2024: £22.2m and £56.1m)
- Total depreciation costs of £76.5m (2024: £73.1m)
- Restructuring costs of £3.5m (2024: £4.5m)
- Costs associated with our wider role in supporting communities of £3.6m (2024: £5.2m), including donations to Wheatley Foundation of £2.4m (2024: £2.4m) to provide continued support for our customers

Interest costs in the year of £53.9m (2024: £50.8m) are £3.1m higher than the prior year with the increase reflecting the increased borrowing to fund the development of new build housing.

A movement in the fair value of financial instruments of £1.5m gain (2024: £3.7m gain) reports the non-cash accounting adjustment on the contingent efficiencies grant reported within creditors falling due after more than one year. This adjusts the creditor outstanding to amortised cost and is in line with the accounting policy on financial instruments in note 2.

After taking account of core trading, other gains and losses, net finance charges and non-cash fair value movement on financial instruments, WH Glasgow generated a surplus for the financial year of £2.0m (2024: deficit of £31.5m).

Cashflows

WH Glasgow continued to deliver strong levels of cash with £101.0m generating from operating activities (2024: £89.8m), an increase of £11.2m when compared to prior year. Cash generated from operating activities was re-invested into improving our existing housing stock. Cash and cash equivalents in the year increased by £9.6m (2024: decreased by £0.8m).

Liquidity

WH Glasgow reported total reserves of £888.3m, an increase of £95.3m in the year. Social housing properties increased in value by £87.2m representing the long-term value of investment in customers' homes and the investment in the new-build programme. The valuation of social properties increased this year, however given the valuation is based on the Existing Use for Social Housing Valuation methodology ("EUV-SH") it will not always reflect the scale of capital investment spend in the year.

Net current liabilities as at 31 March 2025 of £55.1m (2024: net current liabilities: £70.0m) were reported. Within this, net rent arrears were £6.9m (2024: £7.7m), after taking account of the bad debt provision of £7.0m (2024: £7.3m). The value of rent arrears reported at the financial year end varies depending on the timing gap between the end of the four-weekly rental billing period and the year-end date. The rent arrears reported at 31 March can include technical arrears for amounts due which are associated with the timing of direct payment for housing benefit. At the rent billing period ending in March 2025, rent arrears had reduced to 5.4% compared to 5.9 % at the comparable rent period end in 2024.

Borrowings due after more than one year to fund the development of new housing have increased to £1,086.0m from £1,025.1m. Cash balances are managed at an appropriate level through the Group funding subsidiary Wheatley Funding No 1 Limited to match the needs of the business and the cost of borrowing.

DIRECTORS' REPORT (continued)

FINANCIAL REVIEW (continued)

Capital structure and treasury

WH Glasgow's activities are funded on the basis of a business plan which is updated annually. The main elements of our long-term funding are syndicated bank facilities and bond funding provided through Wheatley Funding No. 1 Limited ("WFL1"), a related entity, as detailed in note 19. WH Glasgow currently has access to an intra-group facility of £1,130.0m (2024: £1,036.5m) which is secured on its housing stock. Interest rate risk is managed at a group level by WFL1.

Investment in tenants' homes

During the year we invested £53.1m in improving tenant's homes (2024: £50.1m). At the year-end our housing stock (including housing under construction) was valued at £1,887.5m (2024: £1,784.2m).

New Build

During the financial year we completed 178 new build properties across two developments, in addition to the acquisition of 16 properties. Our new build programme invested £52.6m in the year. The Business Plan includes a further projected spend of £302.9m on the new build programme over the next five years.

Pensions

WH Glasgow has defined benefit ("DB") pension arrangements with Strathclyde Pension Fund ("SPF"). The financial statements have been updated to reflect the results of the accounting valuation at 31 March 2025 and show a DB pension liability in relation to unfunded obligations of £1.8m (2024: liability of £2.0m). In line with accounting rules the value of the pension asset reported relating to funded obligations has been limited to the extent to which any benefit would be available to the employer in the form of reduced future contributions. The value of the unfunded obligations have been excluded from this calculation.

Reserves Policy

Under the Statement of Recommended (Accounting) Practice ("SORP") 2018 and Financial Reporting Standard ("FRS") 102, WH Glasgow operates with three principal reserves: a revenue reserve, a revaluation reserve and a pension reserve.

Revenue reserve

Revenue reserve includes historic grant received in respect of the following:

- new build housing properties
- specific projects for which subsidy has been received, such as investment in the energy efficiency of our homes
- support received from the Scottish Government as part of establishing the viability of WH Glasgow's business plan under the original stock transfer arrangements

These grants have been invested for the specific purposes prescribed in the related grant conditions, with this activity typically resulting in an increase in the value of housing properties in the Statement of Financial Position. WH Glasgow has no ability to realise new cash from this element of reserves, since selling the related assets which were constructed or improved with the grant funds would trigger clawback conditions and require repayment of grant to the Scottish Government or other grant providers. Furthermore, it is not WH Glasgow's policy to sell social housing assets; on the contrary, continuing to own and support these while providing excellent services to customers is core to WH Glasgow's charitable purpose.

The revenue reserve includes revaluation gains on investment properties, including the portfolio of commercial properties and its ownership of mid-market rent homes which are leased to and managed by Lowther Homes. Under FRS 102, gains or losses on investment properties must be taken to profit and loss and therefore form part of the general revenue reserve. These gains are not available to be

DIRECTORS' REPORT (continued)

FINANCIAL REVIEW (continued)

Revenue reserve (continued)

realised in cash, since selling WH Glasgow's interest in mid-market rent properties would trigger grant clawback and would run counter to WH Glasgow's core charitable objective of supporting the provision of a range of affordable housing solutions to be provided for its customers.

The residual amount of revenue reserve, not represented by grant or gains on investment properties, may be invested by WH Glasgow in line with its 30-year business plan financial projections. Such investment is subject to WH Glasgow maintaining a viable financial profile over the life of its business plan, as well as approval by the Wheatley Group Board. In approving WH Glasgow's business plan annually, the Wheatley Group Board will take into account projected compliance with the loan covenants which apply to the Wheatley RSL Borrower Group, as well as the impact of sensitivity analysis and other risk factors which may apply.

Pension reserve

The pension reserve is not a cash reserve available for investment. It represents the amount by which the actuarial valuation of WH Glasgow's share of pension assets exceeds or is less than its notional pension liabilities. Under FRS 102, the reserve contained within the Statement of Financial Position assumes a continuing membership of the pension scheme. Withdrawing from the scheme in order to attempt to realise any surplus would involve liabilities being revalued onto an "exit" basis, with a significant additional premium attached to compensate the pension fund for the risk of reduced membership and inability to seek future contributions from the related members. Notwithstanding this issue, it is WH Glasgow's intention to continue membership of the Strathclyde Pension Fund on a long-term basis.

Revaluation reserve

The revaluation reserve represents the increase in valuation which has occurred over and above the cost of additions to WH Glasgow's property (other than investment property). This reserve is therefore also not realisable, on the basis that to do so would involve selling social housing assets and would therefore undermine WH Glasgow's core charitable purpose.

Principal risks facing WH Glasgow

The Board is responsible for assessing the risks facing WH Glasgow. As a subsidiary of Wheatley Housing Group, the principal risks are broadly similar to those facing the Group and can be seen in the consolidated financial statements of the Group.

By order of the Board



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Maureen Dowden, Chair
22 September 2025

Wheatley House
25 Cochrane Street
Glasgow
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DIRECTORS' REPORT (continued)

WH GLASGOW BOARD, COMMITTEE STRUCTURE AND RELATED MATTERS

As at 31 March 2025 WH Glasgow's Rules allowed for the appointment of up to 10 Board members (including co-optees) as follows:

- Up to 4 tenant Board members
- Up to 3 Parent Appointees
- Up to 1 independent Board members
- Up to 2 council Board members

The Board could also co-opt members, subject to the maximum number of 10 Board members.

At 31 March 2025 there were 9 members (2024: 8 members) of the WH Glasgow Board: 3 tenant members, 3 parent appointees, 2 council members and 1 independent.

DIRECTORS' REPORT (continued)

WH GLASGOW BOARD, COMMITTEE STRUCTURE AND RELATED MATTERS (continued)

The members of the Board during the year are listed below:

Name	First Joined Board	Re-elected/ re-appointed	Left Board	Committees/Group Directorships
Maureen Dowden (Chair & parent appointee)	16 September 2022	-	-	Wheatley Housing Group Limited Wheatley Solutions Limited Group Audit Committee Group Remuneration, Appointments, Appraisal and Governance Committee
Patrick Gray (parent appointee)	1 May 2017	25 May 2023	-	Wheatley Foundation (Chair)
Allan Clow (parent appointee)	25 January 2024	-	-	Wheatley Developments Scotland Limited Group Audit Committee
Cathy McGrath (Vice Chair and tenant member)	21 September 2017	21 September 2023	-	Wheatley Foundation
Robert Keir (tenant member)	13 August 2021	-	13 September 2024	
Mary Ann Amiwero (tenant member)	16 August 2024	-	-	
Rhona Conteh (tenant member)	16 August 2024	-	-	
Christopher Quinn (tenant member)	09 May 2025	-	-	
Andrew Clark (Independent)	30 November 2018	16 January 2022	-	Wheatley Developments Scotland Limited City Building Glasgow LLP
Councillor Kenny McLean (Glasgow City Council appointee)	30 May 2014	15 September 2023	25 September 2024	
Councillor Frank McAveety (Glasgow City Council appointee)	20 June 2017	15 September 2023	15 May 2025	-
Councillor Ruari Kelly (Glasgow City Council appointee)	22 November 2024	-	-	

DIRECTORS' REPORT (continued)

WH GLASGOW BOARD, COMMITTEE STRUCTURE AND RELATED MATTERS (continued)

Creditor payment policy

WH Glasgow agrees payment terms with its suppliers when it enters into contracts. The average creditor payment period for the year was within 30 days.

Disclosure of information to auditor

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

DIRECTORS' STATEMENT ON INTERNAL FINANCIAL CONTROL

The Directors acknowledge their responsibility for ensuring that WH Glasgow has in place systems of control that are appropriate to its business environment. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information within WH Glasgow, or for publication;
- The maintenance of proper accounting records;
- The safeguarding of assets against unauthorised use or disposition.

The systems of internal financial control, which are under regular review, are designed to manage rather than to eliminate risk. They can only provide reasonable and not absolute assurance against material misstatement or loss.

The key procedures which have been established are as follows:

- Detailed standing orders covering Board structure, election, membership and meetings;
- Financial regulations and procedures with clear authorisation limits;
- Regular Board meetings, focusing on areas of concern, reviewing management reports;
- Audit and Compliance reporting focussing on areas of concern and reviewing management reports;
- Regular review of cashflow and loan portfolio performance;
- Regular review of tendering process, rent accounting, arrears control and treasury management;
- Segregation of duties of those involved in finance;
- Identification and monitoring of key risks by the management committee; and
- Monitoring the operation of the internal financial control system by considering regular reports from management, internal and external auditors and ensuring appropriate corrective action is taken to address any weaknesses.

The Directors confirm that they have reviewed the effectiveness of the systems of internal control. No weaknesses have been found which would have resulted in material losses, contingencies or uncertainties which require to be disclosed in the financial statements.

DIRECTORS' REPORT (continued)

STATEMENT OF BOARD'S RESPONSIBILITIES IN RESPECT OF THE BOARD'S REPORT AND THE FINANCIAL STATEMENTS

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society and charity law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of WH Glasgow and of its income and expenditure for that period.

In preparing these financial statements, the Board is 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 WH Glasgow'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 it either intends to liquidate WH Glasgow or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of WH Glasgow and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Registered Social Landlords Determination of Accounting Requirements 2024. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of WH Glasgow and to prevent and detect fraud and other irregularities.

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

By order of the Board



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Maureen Dowden, Chair
 22 September 2025

Wheatley House
 25 Cochrane Street
 Glasgow
 G1 1HL

INDEPENDENT AUDITOR'S REPORT TO WHEATLEY HOMES GLASGOW LIMITED AND THE TRUSTEES OF WHEATLEY HOMES GLASGOW LIMITED

Opinion

We have audited the financial statements of Wheatley Homes Glasgow Limited ("the Association") for the year ended 31 March 2025 which comprise the Association's Statement of Comprehensive Income, the Association's Statement of Changes in Reserves, the Association's Statement of Financial Position and the Association's Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Association as at 31 March 2025 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the requirements of the Housing (Scotland) Act 2010, the Registered Social Landlords Determination of Accounting Requirements 2024, 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 report in accordance with the regulations made under that Act. 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 Association 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 Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or to cease its operations, and as they have concluded that the Association'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 Board's conclusions, we considered the inherent risks to the Association's business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

INDEPENDENT AUDITOR'S REPORT TO WHEATLEY HOMES GLASGOW LIMITED AND THE TRUSTEES OF WHEATLEY HOMES GLASGOW LIMITED (CONTINUED)

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 directors and management as to the Association’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;
- Reading Board minutes; and
- Using analytical procedures to identify any unusual or unexpected relationships.

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

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

We did not identify any additional fraud risks.

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

We also performed procedures including:

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

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

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

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

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

The Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related registered social landlord 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 Association is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO WHEATLEY HOMES GLASGOW LIMITED AND THE TRUSTEES OF WHEATLEY HOMES GLASGOW LIMITED (CONTINUED)

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

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

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

Other information

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

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

We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the Statement on Internal Financial Control on page 12 does not provide the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls; or
- in our opinion, the Statement on Internal Financial Control is materially inconsistent with the knowledge acquired by us in the course of performing our audit; or
- in our opinion, the information given in the Director's Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 and the Charities (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- the Association has not kept proper books of account; or
- the financial statements are not in agreement with the Association's books of account; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

In addition, under the Co-operative and Community Benefit Societies Act 2014 we are required to report if, in our opinion, the Association has not maintained a satisfactory system of control over its transactions.

We have nothing to report in this respect.

**INDEPENDENT AUDITOR'S REPORT TO WHEATLEY HOMES GLASGOW LIMITED
AND THE TRUSTEES OF WHEATLEY HOMES GLASGOW LIMITED (CONTINUED)****Board's responsibilities**

As explained more fully in their statement set out on page 13, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Association'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 it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

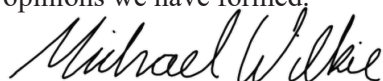
Auditor's responsibilities

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 Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 69 of the Housing (Scotland) Act 2010, and to the Association'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 Association and its 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 Association and its Trustees, for our audit work, for this report, or for the opinions we have formed.

**Michael Wilkie****for and on behalf of KPMG LLP, Statutory Auditor***Chartered Accountants**KPMG LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006*

319 St Vincent Street

Glasgow

G2 5AS

23 September 2025

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Turnover	3	272,201	231,567
Operating expenditure	3	(221,413)	(214,541)
Other gains/ (losses)	3	3,508	(1,688)
Operating surplus		54,296	15,338
Gain/(loss) on disposal of fixed assets	9	114	(23)
Finance income	10	225	285
Finance charges	11	(53,942)	(50,789)
Movement in fair value of financial instruments		1,505	3,684
Surplus/(deficit) for the financial year		2,198	(31,505)
Unrealised surplus on the valuation of housing properties		87,177	190,705
Unrealised surplus/ (deficit) on the valuation of other fixed assets		27	(1,317)
Actuarial gain/ (loss) in respect of pension schemes		5,950	(2,733)
Total comprehensive surplus for the year		95,352	155,150

All amounts relate to continuing operations.

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2025

	Revenue Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 1 April 2023	200,235	437,587	637,822
Total comprehensive surplus for the year	155,150	-	155,150
Transfer of reserves for the revaluation of housing properties	(190,705)	190,705	-
Transfer of reserves for the revaluation of other fixed assets	1,317	(1,317)	-
Balance at 31 March 2024	165,997	626,975	792,972
Total comprehensive surplus for the year	95,352	-	95,352
Transfer of reserves for the revaluation of housing properties	(87,177)	87,177	-
Transfer of reserves for the revaluation of other fixed assets	(27)	27	-
Balance at 31 March 2025	174,145	714,179	888,324

The notes on pages 21 to 47 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2025

	<i>Notes</i>	2025 £'000	2024 £'000
Fixed assets			
Social housing properties	14	1,887,476	1,784,173
Other tangible fixed assets	15	71,987	64,810
Investment properties	16	114,490	87,944
Investments - other	16	14,334	12,073
		<u>2,088,287</u>	<u>1,949,000</u>
Current assets			
Trade and other debtors	17	56,155	47,729
Cash and cash equivalents		13,058	3,427
		<u>69,213</u>	<u>51,156</u>
Creditors: amounts falling due within one year	18	<u>(124,295)</u>	<u>(121,197)</u>
Net current liabilities		<u>(55,082)</u>	<u>(70,041)</u>
Total assets less current liabilities		2,033,205	1,878,959
Creditors: amounts falling due after more than one year	19	<u>(1,140,865)</u>	<u>(1,081,819)</u>
		892,340	797,140
Provisions for liabilities			
Pension liability	22	(1,769)	(2,035)
Other provisions	20	(2,247)	(2,133)
Total net assets		<u>888,324</u>	<u>792,972</u>
Reserves			
Share capital	21	-	-
Revenue reserve including pension reserve		174,145	165,997
Revaluation reserve		714,179	626,975
Total reserves		<u>888,324</u>	<u>792,972</u>

These financial statements were approved by the Board on 15 August 2025 and signed on its behalf on 22 September 2025 by:

Signed by:
[Redacted]
A41D11D109E348B...
Maureen Dowden
Chair

Signed by:
[Redacted]
BF8163416A374A5...
Andrew Clark
Board member

[Redacted]
00911D88B8DB4CF...
Annalouise Allison
Secretary

The notes on pages 21 to 47 form part of these financial statements.

Charity registration number SC034054.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	<i>Notes</i>	2025 £000	2024 £000
Net cash generated from operating activities	24	<u>101,028</u>	<u>89,772</u>
Cash flow from investing activities			
Improvement of social housing properties	14	(52,954)	(50,053)
Construction of new properties		(51,505)	(40,835)
Purchase of other fixed assets	15	(17,134)	(16,785)
Improvement of investment properties	16	(173)	(190)
Proceeds from disposal of properties	9	217	329
Grants received	19	27,899	14,071
Finance income		<u>9</u>	<u>10</u>
		(93,641)	(93,453)
Cash flow from financing activities			
Finance charges		(51,756)	(48,662)
Convertible loan issued to Lowther Homes Limited		(6,000)	-
Financing drawn down		76,000	54,500
Financing repayment		<u>(16,000)</u>	<u>(3,000)</u>
		2,244	2,838
Net change in cash and cash equivalents		<u>9,631</u>	<u>(843)</u>
Cash and cash equivalents at beginning of the year		<u>3,427</u>	<u>4,270</u>
Cash and cash equivalents at end of the year		<u>13,058</u>	<u>3,427</u>
Cash and cash equivalents at 31 March			
Cash		<u>13,058</u>	<u>3,427</u>
		<u>13,058</u>	<u>3,427</u>

The notes on pages 21 to 47 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. Legal status

WH Glasgow Limited ("WH Glasgow" or "the Association") is a wholly owned subsidiary of The Wheatley Housing Group ("WHG"). The Association is registered under the Co-operative and Community Benefit Societies Act 2014 No.2572RS and is a registered Scottish charity No.SC034054. WH Glasgow is registered as a housing association with the Scottish Housing Regulator under the Housing (Scotland) Act 2014. The principal activity of the Association is the provision of social housing.

The registered office is Wheatley House, 25 Cochrane Street, Glasgow G1 1HL. WH Glasgow Limited is a public benefit entity.

2. Accounting policies

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

Basis of accounting

The financial statements of the Association are prepared in accordance with applicable accounting standards and in accordance with the accounting requirements included with the Determination of Accounting Requirements 2024, and under the historical cost accounting rules, modified to include the revaluation of properties held for letting and commercial properties. The financial statements have also been prepared in accordance with the Statement of Recommended Practice for social housing providers 2018 ("SORP 2018"), issued by the National Housing Federation and under FRS 102. The presentational currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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 Association prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in February 2025 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. These updated scenarios include severe but plausible downsides. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure.

The Board, after reviewing the Group and Association budgets for 2025/26 and the Group and Association's financial position as forecast in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group and Association have adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). In reaching this conclusion, the Board has considered the following factors:

- Rent and service charge receivable – arrears and bad debt assumptions have been set at an appropriate level to allow for customer difficulties in making payments; budget and business plan scenarios have been updated to take account of potential future changes in rent increases;
- Development activity – budget and business plan scenarios have taken account of fluctuating labour costs, project delays, supply chain instability and availability of grant funding impacting new build;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

- Maintenance costs – budget and business plan scenarios have been modelled to take account of a revised profile of repairs and maintenance expenditure including the effect of inflation and increased demand;
- Investment in existing homes– forecast expenditure has been remodelled to take account of additional investment spend to deliver future energy efficiency improvements;
- Liquidity – notwithstanding the entity's net current liability position of £55.1m, of which the majority of current liabilities comprises deferred income of £24.7m, the entity's current available cash of £13.1m and access to undrawn loan facilities arranged through WFL1 of £324.4m which are available to WH Glasgow and other Group RSLs, gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period; and
- The Group and Association's ability to withstand other adverse scenarios such as higher interest rates and inflation.

The Board believe the Group and Association have sufficient funding in place and expect the Group and Association to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Board is confident that the Group and Association 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.

Discount rates have been used in the valuation of housing properties and in the assessment of the fair value of financial instruments. The rates used are subject to change and are influenced by wider economic factors over time.

Accounting judgements and estimations

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

Judgements have been made in:

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

Related party disclosures

The Association 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 Association 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)****2. Accounting policies (continued)****Turnover**

Turnover, which is stated net of value added tax, represents income receivable from lettings and service charges, fees receivable, revenue grants and other income.

Grant income

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where grant is received from government and other bodies as a contribution towards the capital cost of housing schemes, it is recognised as income using the performance model in accordance with the Statement of Recommended Practice for social housing providers 2018 ("SORP 2018"). Prior to satisfying the performance conditions, capital grant is held as deferred income on the Statement of Financial Position.

Bad and doubtful debts

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

Supported housing

Expenditure on housing accommodation and supported housing is allocated on the basis of the number of units for each type of accommodation.

Financial instruments

Loans provided by Wheatley Funding Number 1 Limited ("WFL1") are classed as basic financial instruments under the requirements of FRS 102 and are measured at amortised cost. In the case of payment arrangements that exist with customers, these are deemed to constitute financing transactions and are measured at the present value of the future payments discounted at a market rate of interest applicable to similar debt instruments.

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

Deposits and liquid resources

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

Pensions

The Association participates in a defined benefit pension scheme arrangement with the Strathclyde Pension Fund ("the Fund"). The Fund is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended. The Fund provides benefits based on final pensionable pay, which is contracted out of the State Second Pension. Assets and liabilities of the Fund are held separately from those of the Association. The Association accounts for its participation in the Fund in accordance with FRS 102 which requires disclosures presented for both the current and comparative period. FRS 102 also requires that quoted securities are valued at their current bid-price rather than their mid-market value.

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

Fixed assets – housing properties

In accordance with SORP 2018, the Association operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

- **Valuation of Social Housing Stock**

Housing properties are valued annually on an Existing Use Value for Social Housing ("EUV-SH") basis by an independent professional adviser qualified by the Royal Institution of Chartered Surveyors to undertake valuation. Housing stock has been split into two streams of property for valuation purposes, namely housing retained for letting and demolition programme properties. This separation into categories is on the basis of the Association's 30-year Business Plan which identifies the core stock which will be the subject of the Association's investment expenditure going forward and the stock which forms part of the demolition programme, and consequently has limited investment expenditure attached to it.

The cost of properties is their purchase price together with the cost of capitalised improvement works and repairs that result in an enhancement of the economic benefits of the asset. Included in the cost of capitalised improvement works are the direct costs of staff engaged in the investment programme.

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

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

- **Depreciation and impairment**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

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

	<u>Economic Life</u>
Bathrooms	25 yrs
Community Infrastructure	20 yrs
External wall finishes	35 yrs
Heating system boiler	12 yrs
Internal works & common areas	20 yrs
Kitchens	20 yrs
Mechanical, Electrical & Plumbing	25 yrs
Structure & roofs	50 yrs
Windows and doors	30 yrs

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

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to operating surplus.

- **New Build**

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

- **Properties held for demolition**

Demolition programme stock has a negative valuation for accounting purposes due to the impact of demolition costs on the EUV-SH calculation, and so is held at £nil on the statement of financial position as under FRS 102 there is no constructive obligation at the date of the statement of financial position to provide for these costs.

The Association's policy is to capitalise the following:

- Cost of acquiring land and buildings;
- Interest costs directly attributable;
- Development expenditure including staff costs attributable to the delivery of the capital investment programme;
- The cost of packages of work completed on void properties; and
- Other directly attributable internal and external costs.

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

- **Non-social housing properties**

Housing for Mid-Market Rent is valued on an open market value subject to tenancies basis at the date of the Statement of Financial Position by an independent professional advisor qualified by the Royal Institution of Chartered Surveyors to undertake valuation and are held as investment properties and not subject to depreciation. Where it is considered that there has been any impairment in value this is provided for accordingly. The cost of properties is their purchase price together with capitalised improvement works.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. Accounting policies (continued)

Mid-market rent properties owned by the Association are currently leased to Lowther Homes Limited at the prevailing market rate. These properties are managed by Lowther Homes Limited.

Commercial properties are held as investment properties and not subject to depreciation, they are held at existing use value and are subject to revaluation by an independent professional advisor qualified by the Royal Institute of Chartered Surveyors to undertake valuation. Commercial properties are revalued at each reporting date.

New Build Grant and other capital grants

New Build Grant is received from central government agencies and local authorities and is utilised to reduce the capital costs of housing properties.

New Build Grant is recognised as income in the statement of comprehensive income when new build properties are completed or the capital work carried out under the performance model. New Build Grant due or received is held as deferred income until the performance conditions are satisfied, at which point it is recognised as income in the statement of comprehensive income within turnover. Grant received in respect of revenue expenditure is recognised as income in the same period to which it relates.

Properties are disposed of under the appropriate legislation and guidance. Any grant that is repayable is accounted for as a liability on disposal of the property. Grant which is repayable but cannot be repaid from the proceeds of sale is abated and the grant removed from the financial statements. Where a disposal is deemed to have taken place for accounting purposes, but the repayment conditions have not been met in relation to the grant funding, the potential future obligation to repay disclosed as a contingent liability.

Other tangible fixed assets

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

Economic Life

Computer equipment (cost)	3 – 7 yrs
Community infra-structure (cost)	20 yrs
District heating scheme (cost)	30 yrs
Furniture, fittings and office equipment (cost)	5 yrs
Office premises (valuation)	40 yrs
Motor vehicles (cost)	4 yrs

Office premises are held at valuation, and are depreciated, on a straight line basis, over a useful life of 40 years. Valuations are carried out at each reporting date.

Stock

Where WH Glasgow enters into development agreements in conjunction with third party housing associations and incurs the cost of the development, the contractual share of costs yet to be billed to the third party is recognised in stock. Stock is accounted for at the lower of cost or net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)****2. Accounting policies (continued)****Leases**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Provisions

The Association only provides for liabilities at the date of the Statement of Financial Position where there is a legal or constructive obligation incurred which will probably result in an outflow of resources.

Taxation

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

3. Particulars of turnover, operating costs and operating surplus

		2025			2024
	Turnover	Operating costs	Other gains/ (losses)	Operating surplus	Operating surplus
	£'000	£'000	£'000	£'000	£'000
Affordable letting activities (note 4)	256,341	(198,686)	-	57,655	26,048
Other activities (note 5)	15,860	(22,727)	-	(6,867)	(9,022)
Valuation movement on investment properties (note 16)	-	-	3,508	3,508	(1,688)
Total	272,201	(221,413)	3,508	54,296	15,338
Total for previous reporting period	231,567	(214,541)	(1,688)	15,338	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

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

	General Needs £'000	2025 Supported Housing £'000	Shared Ownership £'000	Total £'000	2024 Total £'000
Rent receivable net of service charges	218,633	4,259	58	222,950	207,716
Service charges	1,763	34	-	1,797	1,759
Gross income from rents and service charges	220,396	4,293	58	224,747	209,475
Less rent losses from voids	(2,576)	(50)	(1)	(2,627)	(2,453)
Net income from rents and service charges	217,820	4,243	57	222,120	207,022
Grants released from deferred income – new build	21,551	420	6	21,977	4,910
Other revenue grants	12,007	234	3	12,244	5,634
Total turnover from affordable letting activities	251,378	4,897	66	256,341	217,566
Management and maintenance administration costs	(42,582)	(829)	(11)	(43,422)	(41,403)
Service costs	(6,632)	(129)	(2)	(6,763)	(6,216)
Planned and cyclical maintenance including major repairs costs	(24,540)	(478)	(7)	(25,025)	(22,195)
Reactive maintenance costs	(54,774)	(1,067)	(15)	(55,856)	(56,084)
Bad debts – rents and service charges	(1,089)	(21)	-	(1,110)	(1,426)
Depreciation of affordable let properties	(65,223)	(1,270)	(17)	(66,510)	(64,194)
Operating costs for affordable letting activities	(194,840)	(3,794)	(52)	(198,686)	(191,518)
Operating surplus for affordable letting activities	56,538	1,103	14	57,655	26,048
Operating surplus for affordable letting activities for the previous reporting period	25,526	518	4	26,048	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

5. Particulars of turnover, operating costs and operating surplus from other activities

	Grants from Scottish Ministers £'000	Other revenue £'000	Total turnover £'000	Total operating costs £'000	2025 Operating surplus /(deficit) £'000	2024 Operating surplus /(deficit) £'000
Wider role activities to support the community	-	475	475	(4,036)	(3,561)	(4,650)
Investment property activities	-	8,693	8,693	(616)	8,077	7,526
Support activities	-	2,186	2,186	(2,150)	36	(109)
Demolition activities	-	-	-	(41)	(41)	(155)
Other income	-	4,220	4,220	(2,290)	1,930	1,619
Depreciation – Non Social Housing	-	-	-	(9,968)	(9,968)	(8,871)
Organisation Restructuring	-	-	-	(3,532)	(3,532)	(4,534)
Development & Construction of Property Activities	-	286	286	(94)	192	152
Total from other activities	-	15,860	15,860	(22,727)	(6,867)	(9,022)
Total from other activities for the previous reporting period	-	14,001	14,001	(23,023)	(9,022)	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

6. Board members' emoluments

Board members received £1,300 (2024: £1,100) by way of reimbursement of expenses. No remuneration is paid to board members in respect of their duties in the Association.

7. Key management emoluments

Key management personnel are employed by the Association and perform an executive management role across all subsidiaries in the Group. The total emoluments payable to Group key management personnel are disclosed in the Wheatley Housing Group consolidated financial statements. The Association pays a share of the costs of these personnel which includes employer pension contributions and benefits in kind.

	2025	2024
	£ 000	£ 000
Aggregate emoluments payable to key management (excluding pension contributions)	533	527

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

More than £40,000 but no more than £50,000	1	-
More than £50,000 but no more than £60,000	-	1
More than £90,000 but not more than £100,000	5	5

The key management are defined for this purpose as the Chief Executive and the Group Executive team in post at 31 March 2025. Emoluments include relocation expenses where appropriate.

The senior officers are eligible to join the Strathclyde Pension Fund and employer's contributions are paid on the same basis as other members of staff. Pension contributions of £34k (2024: £99k) were paid for the Chief Executive and the Group Executive team in post at 31 March 2025.

There were six senior officers in post at 31 March 2025.

Steven Henderson	Group Chief Executive
Alan Glasgow	Group Director of Housing
Laura Pluck	Group Director of Communities
Pauline Turnock	Group Director of Finance
Anthony Allison	Group Director of Governance and Business Solutions
Frank McCafferty	Group Director of Assets and Development

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

8. Employees

	2025 No.	2024 No.
The average total number of employees employed during the year was	1,762	1,752
The average monthly number of full time equivalent persons employed during the year was	1,733	1,721

All staff are employed by the Association with its costs being recharged to the other group companies where appropriate.

	2025 £'000	2024 £'000
Staff costs (for the above persons)		
Wages and salaries	69,491	66,546
Social security costs	7,153	6,800
Employer's pension costs	4,985	9,398
FRS 102 adjustment	5,449	1,903
	<u>87,078</u>	<u>84,647</u>

9. Gain/ (loss) on disposal of fixed assets

Gain on disposal in the year includes net income from the sale of two social rent properties (2024: two social rent properties) and any gain on the disposal of fixed assets in the year.

	£'000	2025 £'000	£'000	£'000	2024 £'000	£'000
	Properties	Other assets	Total	Properties	Other assets	Total
Net proceeds from disposal of assets	198	19	217	314	15	329
Value of assets disposed	(87)	(16)	(103)	(338)	(14)	(352)
Gain/(loss) on sale of fixed assets	111	3	114	(24)	1	(23)

10. Finance income

	2025 £'000	2024 £'000
Bank interest received	9	10
Interest on intra group loans	216	179
Interest on pension scheme (note 22)	-	96
Total	<u>225</u>	<u>285</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

11. Finance charges

	2025 £'000	2024 £'000
Interest on intra group loans	50,408	47,608
Other financing costs	3,299	3,181
Interest on pension scheme (note 22)	235	-
Total	<u>53,942</u>	<u>50,789</u>

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

12. Auditor's remuneration

	2025 £'000	2024 £'000
The remuneration of the auditor (excluding VAT):		
Audit of these financial statements	130	130

13. Financial commitments

Capital commitments

All capital commitments of the Association were as follows:

	2025 £'000	2024 £'000
Expenditure contracted for, but not provided in the financial statements	23,810	64,867
Expenditure authorised by the Board, but not contracted	2,486	14,838
	<u>26,296</u>	<u>79,705</u>

Capital commitments are funded through a combination of grant received from the Scottish Government in relation to our new build programme, operating surplus generated by the Association, and private funding.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

13. Financial commitments (continued)

Operating leases

At 31 March the Association had annual commitments under non-cancellable operating leases as follows:

	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
	Land and	Other	Land and	Other
	Buildings		Buildings	
Operating leases that fall due:				
Within one year	487	1,304	438	1,325
In the second to fifth years inclusive	1,545	996	1,589	38
Over 5 years	760	30	1,072	-
	<u>2,792</u>	<u>2,330</u>	<u>3,099</u>	<u>1,363</u>

Lease commitments under FRS 102 include the timing of the full payment due under contract.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

14. Tangible fixed assets – Social Housing Properties

	Core Stock £'000	Shared Ownership £'000	Housing Under Construction £'000	Total £'000
Valuation				
At 1 April 2024	1,724,222	706	59,245	1,784,173
Additions	52,954	-	52,634	105,588
Disposals	(88)	-	-	(88)
Transfers	25,067	-	(47,932)	(22,865)
Revaluation	20,668	-	-	20,668
At 31 March 2025	1,822,823	706	63,947	1,887,476
Accumulated Depreciation				
At 1 April 2024	-	-	-	-
Charge for year	66,502	8	-	66,510
Disposals	(1)	-	-	(1)
Revaluation	(66,501)	(8)	-	(66,509)
At 31 March 2025	-	-	-	-
Net Book Value - Valuation				
At 31 March 2025	1,822,823	706	63,947	1,887,476
At 31 March 2024	1,724,222	706	59,245	1,784,173
Net Book Value - Cost				
At 31 March 2025	1,625,062	290	63,947	1,689,299
At 31 March 2024	1,613,592	298	59,245	1,673,135

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

	2025	2024
Social Housing		
General needs	41,380	41,276
Supported housing	806	838
Shared ownership	11	11
Housing held for long-term letting	42,197	42,125
Housing approved / planned for demolition	74	638
Total Units	42,271	42,763

The housing valuation has been based on the number of houses held for social letting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

14. Tangible fixed assets – Social Housing Properties (continued)

Total expenditure on repairs and capital improvements in the year on existing properties was £133.9m (2024: £128.4m). Of this, repair costs of £80.9m (2024: £78.3m) were charged to the Statement of Comprehensive Income (note 4) with capital improvements of £53.0m (2024: £50.1m) shown as additions to core stock on the Statement of Financial Position. Additions to core stock in the year of £53.0m (2024: £50.1m) in the year include:

- £24.2m for component additions including:
 - £1.5m on bathrooms;
 - £1.5m on external wall finishes;
 - £6.0m on heating system boilers;
 - £1.0m on internal works and common areas;
 - £4.6m on kitchens;
 - £6.0m on mechanical, electrical and plumbing;
 - £1.4m on structure and roofs; and
 - £2.2m on windows and doors.
- The remaining balance of £28.8m of additions to existing properties not associated with a specific component includes £13.6m on void improvements, £3.6m of medical adaptations and £11.6m of capitalised repairs.

Additions to housing under construction include capitalised interest costs of £1.1m (2024: £0.8m). Interest has been capitalised at the weighted average interest cost for the Association of 4.84% (2024: 4.64%).

The valuation of social housing properties is separated into two categories, namely those retained for letting and those properties which form part of the Association's demolition programme, as detailed in the Association's 30-year Business Plan for 2025/26. The demolition programme identifies 74 properties (2024: 638 properties) for demolition over the next few years, with no long-term investment expenditure associated with these properties. Demolition programme stock has a negative valuation for accounting purposes due to the impact of demolition costs on the EUV-SH calculation and so is held at £nil on the Statement of Financial Position as under FRS 102 there is no constructive obligation at the date of the Statement of Financial Position to provide for these costs.

Retained stock for letting has been valued at £1,823.5m. Housing under construction, with a NBV of £63.9m, is not included within this total.

Social housing properties have been valued by Jones Lang LaSalle Limited, an independent professional adviser qualified by the Royal Institution of Chartered Surveyors ("RICS") to undertake valuations. This valuation was prepared in accordance with the appraisal and valuation manual of the RICS at 31 March 2025 on an Existing Use Valuation for Social Housing ("EUV-SH"). Discount rates between 5.50-7.00% have been used depending on the property archetype (2024: 5.75-7.00%). The valuation assumes a real rental income growth of 0.5% for the first year, followed by long-term real rental growth of 1.0% per annum for the Social Rented units. Both mid-market and full market rent properties are assumed at a long-term real rental income growth of 0.50% throughout. The capital investment made in housing properties each year may not translate directly into an increase in the value of the assets by virtue of the nature of the EUV-SH valuation methodology.

During 2024/25 two social rent properties were disposed of with sales proceeds of £198k (2024: two properties, £17k).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

15. Other tangible fixed assets

	Community infra- structure £'000	District heating £'000	Office premises £'000	Furniture, fittings & equipment £'000	Computer equipment £'000	Total £'000
Cost or valuation						
At 1 April 2024	26,967	12,439	11,996	31,769	68,444	151,615
Additions	3,006	2,523	85	3,421	8,099	17,134
Disposals	-	-	-	(30)	-	(30)
Revaluation	-	-	(558)	-	-	(558)
At 31 March 2025	29,973	14,962	11,523	35,160	76,543	168,161
Accumulated Depreciation						
At 1 April 2024	5,235	4,673	-	29,460	47,437	86,805
Charge for year	1,417	387	585	1,145	6,434	9,968
Disposals	-	-	-	(14)	-	(14)
Revaluation	-	-	(585)	-	-	(585)
At 31 March 2025	6,652	5,060	-	30,591	53,871	96,174
Net Book Value						
At 31 March 2025	23,321	9,902	11,523	4,569	22,672	71,987
At 31 March 2024	21,732	7,766	11,996	2,309	21,007	64,810

Office premises were valued by an independent professional adviser, Jones Lang LaSalle, on 31 March 2025 in accordance with the appraisal and valuation manual of the RICS.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

16. Investments

Investment Properties

	Properties held for market rent £'000	Commercial Properties £'000	Total £'000
Valuation			
At 1 April 2024	75,747	12,197	87,944
Additions	173	-	173
Disposals	-	-	-
Transfers	22,865	-	22,865
Revaluation taken to operating surplus	3,426	82	3,508
At 31 March 2025	102,211	12,279	114,490
Net Book Value			
At 31 March 2025	102,211	12,279	114,490
At 31 March 2024	75,747	12,197	87,944

Market rent properties were valued at market value subject to tenancy ("MV-T") by an independent professional adviser, Jones Lang LaSalle, on 31 March 2025.

The number of properties held for market rent by the Association at 31 March was:

	2025	2024
Market Rent Properties		
Total Units	975	884

Commercial properties were valued by an independent professional adviser, Jones Lang LaSalle, on 31 March 2025 in accordance with the appraisal and valuation manual of the RICS.

Investments - other

Due after more than one year:

	2025 £'000	2024 £'000
Unsecured subordinated convertible loan due from Lowther Homes Limited	14,334	12,073

WH Glasgow has an unsecured subordinated convertible loan with Lowther Homes Limited, a related group company. FRS 102 requires that the principal amount and interest payments be fair valued and shown as debt on the balance sheet (note 17). The difference between this and the principal amount of the instrument should be recognised as the fair value of equity component.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

17. Debtors

	2025 £'000	2024 £'000
Due in more than one year:		
Due from other group companies	22,460	18,504
	22,460	18,504
Due within one year:		
Arrears of rent and service charges	14,044	15,166
Adjustment to discount arrears balances with payment plans to NPV	(113)	(121)
Less: provision for bad and doubtful debts	(7,011)	(7,324)
	6,920	7,721
Prepayments and accrued income	9,500	4,622
Other debtors	8,238	8,346
Due from other group companies	9,037	8,536
Total	56,155	47,729

The balance due from other group companies in more than one year relates to the unsecured subordinated convertible loan with Lowther Homes Limited. This initial debt was issued in November 2014, followed by further tranches in September 2024 and March 2025, and is due to mature in 2043. Interest on this instrument has been charged at 6.00% in the year (2024: 5.67%).

The Wheatley Foundation has agreed to deliver certain charitable community programmes on the WH Glasgow's behalf. Under this arrangement, these programmes were funded in part during the year by WH Glasgow agreeing that the interest receipt due from Lowther Homes Limited would be paid directly to the Wheatley Foundation on its behalf.

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

18. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	7,236	4,969
Accruals	19,231	24,273
Deferred income (note 19)	24,658	23,811
Rent and service charges received in advance	18,558	19,865
Salaries, wages, other taxation and social security	680	679
Other creditors	14,377	12,145
Due to other group companies	39,555	35,455
Total	124,295	121,197

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 2025 (continued)

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

	2025	2024
	£'000	£'000
Scottish Government contingent efficiencies grant	46,943	46,280
Deferred income	7,892	10,422
Amount due to group company	1,086,030	1,025,117
Total	1,140,865	1,081,819

Scottish Government contingent efficiencies grant

The Scottish Government made available to WH Glasgow £100.0m of contingent efficiencies grant over an eight-year period. Under this agreement £100.0m (2024: £100.0m) has been received which is an interest free loan with repayment due in 2040/41. The amount due of £46.9m at 31 March 2025 (2024: £46.3m) is the measurement of the liability after discounting for an equivalent interest bearing arrangement with the same repayment date. This treatment is consistent with FRS 102 which requires financial instruments to be measured at amortised cost. The movement in the balance in the year relates to:

- interest costs £2.2m (2024: £2.1m)
- fair value movement gain of £1.5m (2024: gain of £3.7m)

Interest costs are reported within finance charges (note 11). The movement in the fair value is reported on the face of the Statement of Comprehensive Income.

Bank lending facility

Borrowing arrangements are in place via a Group funding structure which consists of bank loans, note placements and capital markets debt, secured on charged properties owned by the RSLs. The RSL Group funding was made up of a committed facility of £654.7m from a syndicate of commercial banks, two committed facilities totalling £254.9m from the European Investment Bank, £400.0m from a public bond due in 2044, of which £300.0m is currently issued, £389.0m private placement loan notes with BlackRock Real Assets, M&G Investment Management and PGIM, a £50.0m facility with Barclays, a £35.0m facility with RBS, and £82.3m charitable bonds via Allia Social Impact Investments. This provided total facilities of £1,865.9m for RSLs within the Wheatley Group to develop new housing.

The facility is provided to WH Glasgow via a wholly owned subsidiary of Wheatley Housing Group Limited, Wheatley Funding No. 1 Limited. At 31 March 2025 WH Glasgow had access to an intra-group facility of £1,096.5m, secured on its housing stock. Interest in the year has been charged at 4.84% (2024: 4.73%).

WH Glasgow has secured a major portion of its social and market rent housing stock (£1,932.0m) against this facility. At 31 March 2025, 6.02% (£123.8m) of WH Glasgow's housing properties remained unsecured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

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

Borrowings are repayable as follows:	2025	2024
	£'000	£'000
In less than one year	-	187
In more than one year but less than two years	-	-
In more than two years but less than five years	-	-
In more than five years	1,086,030	1,024,930
	<u>1,086,030</u>	<u>1,025,117</u>

Deferred income

The deferred income balance is made up as follows:

	New Build Grant £'000	Other £'000	Total Deferred Income £'000
Deferred income as at 1 April 2024	28,318	5,915	34,233
Additional income received	24,413	3,486	27,899
Released to the Statement of Comprehensive Income	(21,977)	(7,605)	(29,582)
Deferred income as at 31 March 2025	<u>30,754</u>	<u>1,796</u>	<u>32,550</u>

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

Deferred income to be released to the Statement of Comprehensive Income:	2025	2024
	£'000	£'000
In less than one year (note 19)	24,658	23,811
In more than one year but less than five years	7,892	10,422
In more than five years	-	-
	<u>32,550</u>	<u>34,233</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

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

Financial instruments	2025 £'000	2024 £'000
Financial assets:		
<u>Measured at amortised cost:</u>		
Debtors and accrued income	33,695	29,225
<u>Measured at fair value:</u>		
Due from other group companies	22,460	18,504
Total	56,155	47,729
	2025 £'000	2024 £'000
Financial liabilities:		
<u>Measured at amortised cost:</u>		
Creditors, accruals and deferred income	1,218,217	1,156,736
<u>Measured at fair value:</u>		
Scottish Government loan	46,943	46,280
Total	1,265,160	1,203,016

Income earned and expense payable on the financial assets and liabilities is disclosed in notes 10 and 11 respectively.

20. Provisions for liabilities and charges

	Dilapidation Provision £'000	Insurance £'000	Other £'000	Total £'000
At 1 April 2024	1,039	1,094	-	2,133
Created in the year	20	-	278	298
Utilised	(146)	(38)	-	(184)
At 31 March 2025	913	1,056	278	2,247

Dilapidation Provision

This provision represents the estimated costs of dilapidation works required under lease contracts for office properties leased by WH Glasgow.

Insurance

A provision is held in respect of the excess arising on all outstanding insurance claims.

Other

A provision has been recognised for the estimated costs of remedial works required to properties owned by WH Glasgow.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

21. Share capital

	2025	2024
	£	£
Shares of £1 each issued and fully paid		
At 1 April	9	10
Issued during year	3	2
Surrendered during year	(2)	(3)
	<hr/>	<hr/>
At 31 March	10	9

Each member holds one fully paid £1 share that is cancelled on cessation of membership. Share capital does not carry any voting rights or rights to dividend payments.

22. Pensions

Strathclyde Pension Fund

The WH Glasgow participates in the Strathclyde Pension Fund which is administered by Glasgow City Council and is a defined benefit scheme. Strathclyde Pension Fund is part of the wider Local Government Pension Scheme ("LGPS") in Scotland. The assets of the scheme are held separately from those of the Association with investments under the overall supervision of the Fund Trustees. The latest full actuarial valuation was carried out as at 31 March 2023.

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

Wheatley Housing Group Defined Contribution Scheme

The Wheatley Group also operates a defined contribution scheme through Cushon Master Trust. These arrangements are open to all employees of WH Glasgow who are not members of the Strathclyde Pension Fund.

Defined Benefit assets and obligations

The assumptions that have the most significant effect on the results of the valuation 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 2025	31 March 2024
Discount rate	5.80%	4.80%
Future salary increases*	2.20%	2.30%
Inflation	2.80%	2.80%

*Salary increases are assumed to be 3.30% for 2025/26, 2.50% for 2026/7 and 2.00% p.a. thereafter.

In valuing the liabilities of the pension fund at 31 March 2025, mortality assumptions have been made as indicated below. The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard mortality tables and include an allowance for future improvements in longevity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

22. Pensions (continued)

The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 20.0 years (male) (2024: 20.1 years), 23.2 years (female) (2024: 23.2 years).
- Future retiree upon reaching 65*: 20.7 years (male) (2024: 20.8 years), 24.4 years (female) (2024: 24.4 years).

*Figures assume members aged 45 as at the last formal valuation date.

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 WH Glasgow has been allocated a share of cost under an agreed policy throughout the periods shown.

Movements in present value of defined benefit obligation

	2025 £'000	2024 £'000
Opening defined benefit obligation	448,466	397,395
Service cost	9,580	11,990
Interest cost	21,410	18,855
Actuarial (gains)/ losses	(74,133)	34,791
Contributions by members	2,746	2,677
Benefits paid	(20,134)	(17,242)
	<hr/>	<hr/>
Closing defined benefit obligation	387,935	448,466

Movements in fair value of plan assets

	2025 £'000	2024 £'000
Opening fair value of plan assets	682,009	616,845
Expected return on plan assets	32,483	29,256
Actuarial (losses)/ gains	(8,493)	40,386
Contributions by the employer	4,131	10,087
Contributions by the members	2,746	2,677
Benefits paid	(20,134)	(17,242)
	<hr/>	<hr/>
Closing fair value of plan assets	692,742	682,009

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

22. Pensions (continued)

	2025 £'000	2024 £'000
Present value of funded defined benefit obligations	(386,166)	(446,431)
Present value of unfunded defined benefit obligations	(1,769)	(2,035)
Fair value of plan assets	692,742	682,009
Re-measurements for change in asset ceilings	(306,576)	(235,578)
Net liability	<u>(1,769)</u>	<u>(2,035)</u>

Expense recognised in the statement of comprehensive income

	2025 £'000	2024 £'000
Current service cost	7,525	7,845
Past service cost	2,055	4,145
Net interest on net defined benefit obligation (notes 10 and 11)	235	(96)
	<u>9,815</u>	<u>11,894</u>

The total amount recognised in the statement of comprehensive income in respect of actuarial gains and losses is £5,950k gain (2024: £2,733k loss).

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

	2025 £'000	2024 £'000
Equities	415,645	395,566
Corporate bonds	159,331	184,142
Property	62,347	68,201
Cash	55,419	34,100
	<u>692,742</u>	<u>682,009</u>
Actual return on plan assets	<u>23,990</u>	<u>69,642</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025 (continued)**

23. Related party transactions

Members of the Management Board are related parties of the Association as defined by FRS 102.

The Association retains a register of members’ interests. The following interests in related parties are required to be declared:

Tenant Board Members

The following members who were in office during the year are tenants or factored homeowners of the Association and have tenancies or factoring agreements that are on the Association's normal terms and they cannot use their positions to their advantage.

- Cathy McGrath
- Robert Keir (resigned 13 September 2024)
- Mary Ann Amihero (appointed 16 August 2024)
- Rhona Coneth (appointed 16 August 2024)
- Christopher Quinn (appointed 09 May 2025)

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

	2025
	£’000
Rent charged during the year	15
Arrears balances outstanding at 31 March 2025	-

Other related parties

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

	Invoiced/paid in the year £’000	Year end balance £’000
2025		
Strathclyde Pension Fund	4,131	-
Scotcash CIC	-	-
Transforming Communities Glasgow	-	-

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

During the year WH Glasgow held nomination rights to a directorship of Transforming Communities: Glasgow (“TC:G”). Maureen Dowden and Bryan Duncan served as a nominated director during the year.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

24. Cash Flow Analysis

Cash flow from operating activities	2025 £'000	2024 £'000
Surplus/(deficit) for the year	2,198	(31,505)
<u>Adjustments for non-cash items:</u>		
Depreciation of tangible fixed assets	76,478	73,065
(Increase) in trade and other debtors	(4,470)	(1,573)
Increase in trade and other creditors	2,251	4,223
Increase in provisions	114	261
Pension costs less contribution payments	5,449	1,903
<u>Adjustments for investing or financing activities:</u>		
(Gain)/loss on disposal of fixed assets	(114)	23
Government grants utilised in the year	(29,582)	(5,133)
Interest paid	53,942	50,789
Interest received	(225)	(285)
Movement in fair value of financial instruments	(1,505)	(3,684)
(Gain)/loss on investment activities	(3,508)	1,688
Net cash inflow from operating activities	101,028	89,772

25. Ultimate parent organisation

The Association is a 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 association 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

Secretary and Registered Office

Anthony Allison
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319 St Vincent Street
Glasgow G2 5AS

Bankers

Royal Bank of Scotland
Glasgow Corporate Office
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110 Queen Street
Glasgow G1 3BX