



WHEATLEY GROUP CAPITAL PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended

31 March 2018

Wheatley Group Capital plc

Registered number SC477446

Wheatley Group Capital plc

Directors' report and financial statements for the year ended 31 March 2018

DIRECTORS' REPORT

The directors present the annual report and audited financial statements for the year to 31 March 2018. The Company was incorporated on 13 May 2014 and commenced trading on 28 November 2014.

OPERATING REVIEW

Principal activities and future developments

The principal activity of Wheatley Group Capital plc is the administration of the Wheatley Group corporate bond. The bond finance is used to fund the Group's Registered Social Landlord subsidiaries ("RSL subsidiaries").

The Company is expected to continue with these principal activities for the foreseeable future.

Business review

The Company is a wholly owned subsidiary of the Wheatley Housing Group Limited.

The Company issued a £300m corporate bond placed on behalf of the Wheatley Housing Group RSL subsidiaries on 28 November 2014, of which £50m was retained. The retained portion was disposed of on 30 January 2015. During the year the company has recharged the interest on the corporate bond to the RSL subsidiaries through another wholly owned subsidiary company, Wheatley Group Funding No.1 Limited ("WFL1"), which administers the financing arrangement for the Group's RSL subsidiaries.

The Company has recharged WFL1 for interest incurred on the bond finance.

Proposed dividend

The directors do not recommend payment of a dividend.

Directors and directors' interests

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

Alastair MacNish
Mike Blyth
Steven Henderson

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

The Board is supported in discharging its duties by the Wheatley Group Audit Committee.

Disclosure of information to auditor

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

Wheatley Group Capital plc
Directors' report and financial statements for the year ended 31 March 2018

DIRECTORS' REPORT (continued)

Independent auditor

The directors appointed KPMG LLP to act as auditor of the financial statements for the financial year ended 31 March 2018. In accordance with Section 489 of the Companies Act 2006, a resolution for the appointment of KPMG LLP as auditor is to be proposed at the forthcoming Annual General Meeting of Wheatley Group Capital plc.

On behalf of the Board



Alastair MacNish
Director
29 August 2018

Wheatley House
25 Cochrane Street
Glasgow
G1 1HL

Wheatley Group Capital plc

Directors' report and financial statements for the year ended 31 March 2018

STRATEGIC REPORT

Review of the business

A review of the business for the year ended 31 March 2018 is included in the Directors' Report on page 1. Set out below are the key areas of financial performance.

Turnover

Turnover for the year ended 31 March 2018 was £81k (2017: £91k) for the Company. This was, in the main, generated through charges to the parent company of costs incurred.

Expenditure

Administrative expenses incurred for the year of £81k (2017: £91k) comprised bank and auditor's fees.

Finance income and charges

Interest and related charges incurred on the Company borrowings for the year of £13,125k (2017: £13,125k) were charged to the parent company.

Key performance indicators ("KPIs")

Analysis of KPIs to an extent greater than that presented above is not considered necessary given the operations of the Company.

Going concern

As a special purpose vehicle set up to issue the Wheatley Group bond which comprises part of the funding of the RSL subsidiaries of the Wheatley Group ("RSL Borrower group"), the financial viability of the Company reflects that of the RSL subsidiaries. The RSL subsidiaries have access to sufficient funds to meet their current liabilities as they fall due. There are therefore no material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

Corporate Governance Statement

The Company complies with the UK Listing Authority's Rules. In accordance with Rule 17, details of the administrative, management and supervisory bodies which govern the Company, are set out on page 1.

Statement on internal control

The internal control and risk management systems which cover the Group's consolidated annual financial statements are set out below.

Wheatley Group Capital plc

Directors' report and financial statements for the year ended 31 March 2018

STRATEGIC REPORT (continued)

Background and responsibility

The system of internal controls is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:-

- Identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised;
- Manage them efficiently, effectively and economically;
- Safeguard assets against unauthorised use or disposition; and
- Manage the maintenance of proper accounting records.

Overview of main features of the system of Internal Control

The Board is responsible for ensuring that an effective system of internal control is maintained within the Company. This system of internal control can provide reasonable but not absolute assurance against material misstatement or loss.

The key methods by which the Board establishes the framework for providing effective internal control are as follows:

- Corporate Governance arrangements as outlined in the Corporate Governance Statement;
- Regular meetings of the Board, which have a schedule of matters which are specifically reserved for approval and which are the subject of regular standard reports as required;
- Arrangements under terms of reference for the Group Audit Committee to meet regularly and receive reports from management and internal and external auditors on the system of internal control in operation across the Group, and to provide reasonable assurance that control procedures are in place and are being followed;
- Written policies and procedures including Standing Orders setting out delegated authorities;
- An organisational structure to support business processes and with clear lines of responsibility;
- The employment of suitably qualified and experienced staff to take responsibility for key areas of the business. This is supported by a formal personal development programme;
- An Internal Audit function with an annual Internal Audit Plan;
- Adoption of a risk-based approach to internal control through evaluating the likelihood and significance of identified corporate risks, vesting responsibility for risk management and internal control with designated owners and with an on-going process of monitoring and reporting progress against the company's key risks established through the corporate risk management function; and
- As a subsidiary in the Wheatley Group responsible for the administration of Wheatley Group corporate bond financing:
 - Inclusion in the Wheatley Group Business Plan and Budget supporting strategic and operational plans, financial targets, regularly revised forecasts, a comparison of actual with budget and with forecast on a quarterly basis, operating cash flow and variance statements, and key performance indicators, all of which are reviewed by the Board; and
 - Measurement of financial and other performance against the Delivery Plan objectives and key performance indicators and targets.

Risk management

The Company has mitigated its key risk, in relation to receipt of amounts due under intra-group loans, through each of the RSL subsidiaries of the Wheatley Housing Group pledging sufficient asset security and guarantees in respect of the debt obligations of the Company.

Wheatley Group Capital plc
Directors' report and financial statements for the year ended 31 March 2018

STRATEGIC REPORT (continued)

On behalf of the Board



Alastair MacNish
Director
29 August 2018

Wheatley House
25 Cochrane Street
Glasgow
G1 1HL

Wheatley Group Capital plc

Directors' report and financial statements for the year ended 31 March 2018

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

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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



Alastair MacNish

Director

29 August 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY GROUP CAPITAL PLC

1 Our opinion is unmodified

We have audited the financial statements of Wheatley Group Capital plc ("the Company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and the related notes, including the accounting policies in Note 2.

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 31 March 2018 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the directors on 31 August 2016. The period of total uninterrupted engagement is for the two financial years ended 31 March 2018. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2017), in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

Recoverability of Long Term Debtors

Debtors: amounts falling due after more than one year £300 million (2017: £300 million)

The risk – low risk high value

The Company's primary activity is to issue bonds, source investor financing and on-lend to component Registered Social Landlords (RSLs) within Wheatley Housing Group Limited. It therefore has long term liabilities which relate to the bonds issued and long term intercompany debtors which relate to the loans provided to the RSLs.

The carrying amount of the long term intercompany debtor balances represents 99% of the Company's total assets. Their recoverability is not a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Company financial statements, this is considered to be the area that had the greatest effect on our overall Company audit.

Whilst there are small amounts of financial income and financial expense, the risk mainly stems from the expectation of the ability of the RSLs to repay the loans.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY GROUP CAPITAL PLC (Continued)

Our procedures included:

Tests of detail:

- i. Reviewing the arrangements for repaying the outstanding intercompany balances.
- ii. Reviewing the financial position of the entities to confirm they have the ability to meet the repayment plans in place. This is done by assessing 100% of intercompany long term debtors owed by the RSLs to identify, with reference to their financial draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed. This has also been done through a review of the five year budgets and plans prepared by the RSLs which clearly incorporate in their cash flow the interest repayments to be made to Wheatley Group Capital.

Assessment of RSLs

- iii. Assess the RSLs' ability to continue as a going concern, including the assessment undertaken in the Group.

Our Results

We found the Company's assessment of the recoverability of the long term debtor balance to be acceptable. (2017 result: acceptable).

3 Our application of materiality and an overview of the scope of our audit

Wheatley Group Capital plc is part of a Group headed by Wheatley Housing Group Limited. Materiality of £3m (2017: £3m) has been applied to the audit of the Company. This represents 1% of the Company's gross assets (2017: 1%)

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £150,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed at Wheatley House, Glasgow.

4 We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

5 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY GROUP CAPITAL PLC (Continued)

Strategic report and directors' report

Based solely on our work on the other information:

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

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- a corporate governance statement has not been prepared by the company.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the eleven provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6 We have nothing to report on the other matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), 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, other irregularities 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY GROUP CAPITAL PLC (Continued)

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

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience.

We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation). We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

In addition we considered the impact of laws and regulations in the specific areas of LSE listing rules, FCA disclosures and ensuring compliance with the Bond Trust Deed itself, recognising the regulated nature of the company's activities. With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors and inspection of regulatory and legal correspondence.

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

As with any audit, there remained a higher risk of non-detection of non-compliance with relevant laws and regulations (irregularities), as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

7 September 2018

Wheatley Group Capital plc
Directors' report and financial statements for the year ended 31 March 2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £000	2017 £000
Turnover		81	91
Administrative expenses	3	(81)	(91)
Operating result		-	-
Finance income	6	13,125	13,125
Finance charges	7	(13,125)	(13,125)
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	8	-	-
Profit for the financial year	14	-	-
Total comprehensive income for the financial year		-	-

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital £000	Revenue reserve £000	Total equity £000
Balance at 1 April 2016	12	-	12
Profit for the financial year	-	-	-
Balance at 31 March 2017	12	-	12
Profit for the financial year	-	-	-
Balance at 31 March 2018	12	-	12

All amounts relate to continuing operations for the current year.

The notes on pages 13 to 18 form part of these financial statements.

Wheatley Group Capital plc
Directors' report and financial statements for the year ended 31 March 2018

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 £000	2017 £000
Debtors: amounts falling due after more than one year	9	300,000	300,000
Current assets:			
Debtors falling due within one year	10	9	4,517
Cash and cash equivalents		4,523	12
		<u>4,532</u>	<u>4,529</u>
Creditors: amounts falling due within one year	11	<u>(4,520)</u>	<u>(4,517)</u>
Net current assets		12	12
Total assets less current liabilities		300,012	300,012
Creditors: amounts falling due after more than one year	12	<u>(300,000)</u>	<u>(300,000)</u>
Net assets		<u>12</u>	<u>12</u>
Capital and reserves			
Called up share capital	14	12	12
Revenue reserve	15	<u>-</u>	<u>-</u>
Total Shareholder's funds		<u>12</u>	<u>12</u>

These financial statements were approved by the board of directors on 29 August 2018 and signed on its behalf by:



Alastair MacNish
Director

The notes on pages 13 to 18 form part of these financial statements.
 Company number SC477446

Wheatley Group Capital plc

Directors' report and financial statements for the year ended 31 March 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Legal status

Wheatley Group Capital Plc ("WGC" or "the Company") is a wholly owned subsidiary of Wheatley Funding No. 1 Limited, itself a subsidiary of Wheatley Housing Group ("WHG"). The Company is incorporated in the UK and registered under the Companies Act 2006.

2 Accounting policies

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

Basis of preparation

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

Under FRS 102 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a qualifying entity.

Related party disclosures

The Company is a wholly-owned subsidiary of Wheatley Funding No.1 Limited, which in turn is a wholly owned subsidiary of the Wheatley Housing Group Limited. The Company's results are included within the consolidated financial statements of Wheatley Housing Group Limited which are publicly available. Consequently, the Company has taken advantage of the exemption, under the terms of FRS 102, from disclosing related-party transactions with wholly owned entities that are part of the Wheatley Housing Group. The company has no employees.

Turnover

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

Bond issuance transaction costs and discounts/premiums

Fees and discounts/premiums incurred on issuing the Company's public bonds are passed onto the RSL subsidiaries of the Wheatley Housing Group and amortised over the duration of the bonds by the RSL subsidiaries. The directors consider that the RSL subsidiaries are in substance the underlying borrowing entities, on the basis that all amounts borrowed by the Company are passed on to these entities, which provide all required asset security and guarantees in respect of the Company's loan obligations. Interest costs are borne by the Company, and in turn, chargeable to the RSL subsidiaries relative to the amounts borrowed.

Creditors

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

Financial instruments

Section 11 of FRS 102 is applied in respect of financial instruments. All financial assets and liabilities are held at amortised cost.

Wheatley Group Capital plc
Directors' report and financial statements for the year ended 31 March 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2 Accounting policies (continued)

Taxation

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

Significant judgements or uncertainties

No significant judgements have been made in preparation of the financial statements and no significant uncertainties have been required to be addressed.

Value Added Tax

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

Finance income and finance charges

Interest receivable from group companies and payable to bond holders is recognised in the year in which it arises.

3 Administrative expenses

	2018	2017
	£000	£000
Audit and administrative fees	81	91

The Company has no employees (2017: none).

4 Auditors remuneration

	2018	2017
	£000	£000
The remuneration of the Auditor (excluding VAT) is as follows:		
KPMG - audit of these financial statements	5	5

5 Remuneration of directors

No remuneration was paid to the directors during the year (2017: nil).

Wheatley Group Capital plc
Directors' report and financial statements for the year ended 31 March 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6 Finance income

	2018	2017
	£000	£000
Receivable from group undertakings	13,125	13,125
	<u>13,125</u>	<u>13,125</u>

7 Finance charges

	2018	2017
	£000	£000
On corporate bond	(13,125)	(13,125)
	<u>(13,125)</u>	<u>(13,125)</u>

8 Tax on profit on ordinary activities

	2018	2017
	£000	£000
Analysis of charge in year:		
UK corporation tax		
Current tax on income for the year	-	-
Group tax relief	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the current and previous years

The current tax charge for small companies is equal to (2017: equal to) the standard rate of corporation tax in the UK of 19% (2017: 19%) as explained below.

	2018	2017
	£000	£000
Reconciliation of effective tax rate:		
Profit for the year	-	-
Total tax expense	-	-
Profit excluding taxation	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Tax using the UK corporation tax rate of 19% (2017:19%)	<u>-</u>	<u>-</u>
Total tax expense included in profit or loss	<u>-</u>	<u>-</u>

Wheatley Group Capital plc
Directors' report and financial statements for the year ended 31 March 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9 Debtors: amounts falling due after more than one year

	2018	2017
	£000	£000
Amounts owed by group undertakings	300,000	300,000
	<u>300,000</u>	<u>300,000</u>
Of which:		
Debts falling due for repayment on an instalment basis after 5 years	-	-
Debts falling due for repayment on a non-instalment basis after 5 years	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

Interest is payable by group undertakings at a rate of 4.375%. The amounts due are repayable in 2044/45. Interest is paid bi-annually in May and November.

10 Debtors falling due within one year

	2018	2017
	£000	£ 000
Amounts owed by group undertakings	9	4,517
	<u>9</u>	<u>4,517</u>

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

11 Creditors: amounts falling due within one year

	2018	2017
	£000	£ 000
Corporation tax	-	-
Accruals	4,520	4,517
	<u>4,520</u>	<u>4,517</u>

Wheatley Group Capital plc
Directors' report and financial statements for the year ended 31 March 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12 Creditors: amounts falling due after more than one year

	2018	2017
	£000	£ 000
Corporate bond repayable 2044	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

Bond finance is repayable in 2044/45, and has a coupon rate of 4.375%. The corporate bond is listed and is secured over the housing stock and certain other properties of RSL subsidiaries.

Borrowings are repayable as follows:

	2018	2017
	£000	£ 000
In more than five years	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

13 Financial instruments

	2018	2017
	£000	£ 000
Total of financial assets held at amortised cost	300,009	304,517
	<u>300,009</u>	<u>304,517</u>
Total of financial liabilities held at amortised cost	304,520	304,517
	<u>304,520</u>	<u>304,517</u>

14 Called up share capital

	2018	2017
	£	£
Equity: 50,000 (2016: 50,000)		
Ordinary shares of £1 each – one quarter paid up	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

15 Reserves and analysis of changes in equity

	2018	2017
	£000	£ 000
Reserves at 1 April	12	12
Profit for the financial year	-	-
Reserves at 31 March	<u>12</u>	<u>12</u>

Wheatley Group Capital plc

Directors' report and financial statements for the year ended 31 March 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Ultimate parent organisation

The Company is a wholly-owned subsidiary undertaking of Wheatley Funding No.1 Limited, Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL, which itself is a wholly-owned subsidiary of the Wheatley Housing Group Limited, a company limited by guarantee and registered in Scotland.

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