



# ANNUAL REPORT AND FINANCIAL STATEMENTS

**for the Year Ended**

**31 March 2018**

**Wheatley Solutions Limited**

Registered number SC533419

## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for the year ended 31 March 2018.

### **OPERATING REVIEW**

#### **Principal activities**

Wheatley Solutions Limited ("Wheatley Solutions" or "the Company") is a wholly owned subsidiary of Wheatley Housing Group Limited ("Wheatley Group"). Since 1 May 2016, the company has provided back office and administrative services to certain subsidiaries of the Wheatley Group.

Wheatley Solutions was set up to create a distinct entity within the Wheatley Housing Group to deliver excellence in shared service provision to subsidiaries across the Group.

Having a subsidiary focused on providing services on a business to business basis to other subsidiaries brings operational benefits and clarity including greater transparency and accountability in intra-group service provision arrangements, clear performance, reporting and governance frameworks.

The Company provides group services to a number of operational subsidiaries within the Wheatley Group. These subsidiaries include:

- The Glasgow Housing Association Limited;
- Cube Housing Association Limited;
- West Lothian Housing Association Limited;
- Loretto Housing Association Limited;
- Dunedin Canmore Housing Association Limited;
- Barony Housing Association Limited;
- Loretto Care
- YourPlace Property Management Limited; and
- Lowther Homes Limited.

Prior to 1 May 2016, group services were provided to the Wheatley Group subsidiaries by Wheatley Housing Group Limited.

All assets and liabilities arising from the provision of group services delivered by Wheatley Housing Group Limited were acquired by The Company on 1 May 2016. This acquisition covered IT computer equipment and software, all intra-group trading balances and all trade debtors, creditors and cash balances held by Wheatley Housing Group Limited on 30 April 2016.

The Company manages IT investment for the group and also maintains group wide IT systems for the benefit of Wheatley Group subsidiaries. Examples of IT software acquired from Wheatley Housing Group Limited on 1 May 2016 were the rent management and customer relationship management systems, both of which are used by Wheatley Group subsidiaries to support how they engage with their customers.

## **OPERATING REVIEW**

### **Principles of Wheatley Solutions**

Work to develop and mature Wheatley Solutions' and the services it provides, has moved forward in the last year. The services Wheatley Solutions' provides and the value it delivers as part of Wheatley Group is built around six key principles. These principles are that Wheatley Solutions will be:

- rooted in the culture and mission of Wheatley to deliver customer excellence in housing, property management and care
- more than a service provider, working in a true partnership with subsidiaries to deliver their outcomes and keep them at the leading edge of their sectors
- focused on driving efficiency by using our collective scale and resources to keep the cost of services low, minimise waste, and manage risk
- innovative by using expertise, analysis, collaboration and technology to transform how subsidiaries do business with their customers
- services provided will be high quality, reliable, seamless, co-created with subsidiaries and embedded in their operations
- support will be packaged around the concept of having universal, commodity and specialist services reflecting the different requirements of Wheatley Solutions' customers.

During the year Business Excellence Frameworks have been agreed between Wheatley Solutions and the operational subsidiaries. These Business Excellence Frameworks set out – amongst other things – the services provided, and the charges made, by Wheatley Solutions to each of the group entities that pay for its services.

### **Directors**

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

Sheila M Gunn

Bernadette Hewitt

Martin Kelso

Douglas Robin

Stephen Scott

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

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

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

### **Independent auditor**

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

### **Political donations**

No political donations were made by the Company during the year ended 31 March 2018.

### **Going concern**

The Company provides group services to all Wheatley Group subsidiaries. The Company charges the subsidiaries the costs incurred in providing the service and as a result the financial viability of the Company reflects that of the subsidiaries. Each subsidiary prepares and annually updates its business plan which sets out its long term financial forecasts. The business plans demonstrate that the subsidiaries have sufficient funds to meet their liabilities as they fall due, including those due to Wheatley Solutions. 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.

## **FINANCIAL REVIEW**

Wheatley Solutions reported a break even position for the year to 31 March 2018.

### ***Statement of Comprehensive Income***

Turnover, generated exclusively from the provision of Group services to fellow subsidiaries of the Wheatley Group totaled £31,227k for the year. This was matched by operating expenditure of £31,227k. Operating expenditure was made up of staff and associated administrative expenditure.

### ***Statement of Financial Position***

Fixed assets of £8.6m are held by Wheatley Solutions, being principally Group IT systems and office equipment. Trade debtors and creditors mainly comprise of amounts due to and from the Company by other Group subsidiaries. Creditors due after more than one year are amounts due for the future use of IT systems from other Group subsidiaries.

### **Principal risks facing the Company**

The Board is responsible for assessing the risks facing Wheatley Solutions Limited. 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.



**Wheatley Solutions Limited**

**Annual 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.

By order of the Board



Sheila M Gunn, Director

29 August 2018

Wheatley House  
25 Cochrane Street  
Glasgow  
G1 1HL

**Wheatley Solutions Limited**  
**Annual report and financial statements for the year ended 31 March 2018**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY SOLUTIONS LIMITED**

**Opinion**

We have audited the financial statements of Wheatley Solutions Limited ("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 related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the 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 have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

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.

**Directors' report**

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATLEY SOLUTIONS LIMITED (CONTINUED)**

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

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

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

We have nothing to report in these respects

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

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

### **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 Solutions Limited**  
**Annual report and financial statements for the year ended 31 March 2018**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018**

	<i>Note</i>	<b>2018</b>	<b>49 Weeks ended 31 March 2017</b>
		<b>£'000</b>	<b>£'000</b>
Turnover		31,227	28,521
Operating expenses		<u>(31,227)</u>	<u>(28,521)</u>
<b>Operating result</b>	<b>2</b>	-	-
Finance charges		-	-
<b>Result before taxation</b>		-	-
Tax (charge)/credit		-	-
<b>Result for the financial period</b>	<b>9</b>	<u>-</u>	<u>-</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<u><u>-</u></u>	<u><u>-</u></u>

**STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2018**

		<b>Revenue Reserve £'000</b>	<b>Total £'000</b>
Balance at 1 April 2017		-	-
Result for the period	<b>9</b>	-	-
<b>Balance at 31 March 2018</b>		<u><u>-</u></u>	<u><u>-</u></u>

All amounts relate to continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

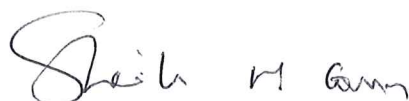


**Wheatley Solutions Limited**  
**Annual report and financial statements for the year ended 31 March 2018**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018**

	<i>Note</i>	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
<b>Fixed Assets</b>			
Property, plant and equipment	5	8,621	7,272
<b>Total Fixed Assets</b>		<b>8,621</b>	<b>7,272</b>
<b>Current Assets</b>			
Debtors	6	13,031	15,834
Cash at bank and in hand		90	-
<b>Total Current Assets</b>		<b>13,121</b>	<b>15,834</b>
<b>Creditors: amounts falling due within one year</b>	7	<b>(14,507)</b>	<b>(15,253)</b>
<b>Net Current Assets / (Liabilities)</b>		<b>(1,386)</b>	<b>581</b>
<b>Total Assets less Current Liabilities</b>		<b>7,235</b>	<b>7,853</b>
<b>Creditors: amounts falling due after one year</b>	8	<b>(7,235)</b>	<b>(7,853)</b>
<b>Net Assets</b>		<b>-</b>	<b>-</b>
<b>Equity</b>			
Share Capital	10	-	-
Revenue reserve	9	-	-
<b>Equity and reserves</b>		<b>-</b>	<b>-</b>

The financial statements were approved by the Board of Directors on 29 August 2018 and signed on its behalf on 29 August 2018 by:



Sheila M Gunn, Director

Company registration number SC533419.

The notes on pages 10 to 15 form part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. 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 on a going concern basis, in accordance with the Companies Act 2006 and applicable accounting standards in United Kingdom including Financial Reporting Standard 102, under the historical cost convention. The presentational currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

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

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

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

#### ***Related party disclosures***

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

#### ***Taxation***

The charge for taxation is based on the surplus for the financial period. In accordance with Financial Reporting Standard 102, full provision is made for all material timing differences.

#### ***Value Added Tax***

The Company is registered for VAT and is a member of the Wheatley VAT Group. Expenditure is shown net of VAT.

#### ***Turnover***

Turnover relates to the provision of Group services to other Wheatley Group subsidiaries. Income is recognised when there is entitlement, certainty or receipt and the amount can be measured with sufficient reliability.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

***Valuation of property, plant and equipment***

Furniture & Fittings and Computer Equipment are stated at cost and depreciated on a straight-line basis as detailed below.

***Depreciation***

Property, plant and equipment depreciation is charged on a straight-line basis over the expected useful lives of fixed assets to write off the cost, or valuation, less estimated residual values at the following annual rates. 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:

Furniture, fittings and office equipment (cost)	4 years
Computer hardware and software (cost)	3-7 years

***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.

**Wheatley Solutions Limited**  
**Annual report and financial statements for the year ended 31 March 2018**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Result**

	2018	2017
	£'000	£'000

**Operating surplus is stated after charging:**

Auditor's remuneration in respect of the audit of these financial statements:	5	5
Depreciation on fixed assets	2,337	1,656

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

**3. Remuneration of directors**

The directors did not receive any emoluments in respect of their services to the Company.

**4. Operating leases**

At 31 March 2018 the Company had annual commitments under non-cancellable operating leases as follows:

	2018	2017
	£'000	£'000
Operating leases than fall due:		
Within one year	79	-
In the second to fifth years inclusive	185	-
Over five years	-	-
	265	0

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



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**5. Property, plant and equipment**

	Furniture, fittings and equipment	Computer Equipment	Total
	£'000	£'000	£'000
<b>Cost or valuation</b>			
At 31 March 2017	175	9,725	9,900
Additions	78	3,624	3,702
Disposals	(73)	-	(73)
At 31 March 2018	180	13,349	13,529
<b>Accumulated Depreciation</b>			
At 31 March 2017	76	2,552	2,628
Charge for year	50	2,287	2,337
Disposals	(57)	-	(57)
At 31 March 2018	69	4,839	4,908
<b>Net Book Value</b>			
At 31 March 2018	111	8,510	8,621
At 31 March 2017	99	7,173	7,272

**Wheatley Solutions Limited**  
**Annual report and financial statements for the year ended 31 March 2018**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**6. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Due after more than one year:</b>		
Amounts due from Group undertakings	7,235	4,717
<b>Due within one year:</b>		
Amounts due from Group undertakings	4,826	10,052
Prepayments	857	970
Other debtors	113	95
<b>Total</b>	<u><u>13,031</u></u>	<u><u>15,834</u></u>

Amounts owed by group undertakings are unsecured and interest free.

**7. Creditors: amounts falling due within one year**

**Amounts falling due within one year:**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	841	531
Accruals	2,164	2,595
Amounts due to Group undertakings	11,502	12,127
	<u><u>14,507</u></u>	<u><u>15,253</u></u>

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

**8. Creditors: amounts falling due after more than one year**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due to Group undertakings	7,235	7,853
	<u><u>7,235</u></u>	<u><u>7,853</u></u>

Amounts owed to group undertakings are unsecured, interest free and are repayable in line with the table below:

**Wheatley Solutions Limited**  
**Annual report and financial statements for the year ended 31 March 2018**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Borrowings are repayable as follows:	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
In less than one year	2,365	-
In more than one year but less than two years	1,877	3,644
In more than two years but less than five years	3,482	2,816
In more than five years	1,875	1,394
	<hr/> 9,601 <hr/>	<hr/> 7,853 <hr/>

**9. Equity and reserves**

	<b>Revenue Reserve</b>	<b>Total</b>
	<b>£000</b>	<b>£ 000</b>
Opening balance at 1 April 2017	-	-
Result for the financial period	-	-
Closing balance at 31 March 2018	<hr/> - <hr/>	<hr/> - <hr/>

**10. Share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<i>Authorised</i>		
Equity: 100 Ordinary shares of £1 each	<hr/> 100 <hr/>	<hr/> 100 <hr/>

Share capital not called.

**11. Ultimate parent organisation**

The Company is a subsidiary undertaking of Wheatley Housing Group Limited 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.

**SUPPLEMENTARY INFORMATION**

**Secretary and Registered Office**

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

**Independent auditor**

KPMG LLP  
319 St Vincent Street  
Glasgow G2 5AS

**Bankers**

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