ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended

31 March 2026

Wheatley Homes 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 2026.

Principal Activities
The principal activities of the Association are the provision and management of affordable rented accommodation. Wheatley Homes Glasgow ("the Association", "WH Glasgow") is Scotland's largest social landlord owning and maintaining over 43,300 affordable homes to let in Glasgow. Firmly rooted in its local communities, it has a skilled, committed workforce of over 1,800 staff, who deliver sector-leading frontline services.

OPERATING REVIEW

This year marked the conclusion of our five-year strategy, 'Your Home, Your Community, Your Future'.

Over the past five years, WH Glasgow has responded to a series of unprecedented challenges. These have included recovery from the Covid-19 pandemic, increases in the cost of living, the National Housing Emergency and the continuing homelessness crisis.

Despite this challenging environment, we have emerged in a strong position. We remain on a solid financial footing, continue to deliver excellent outcomes for customers, and have seen customer satisfaction rise to 90%. This is a testament to the resilience, commitment and professionalism of our staff, and to the strength of our 'Think Yes' culture.

In the year, total expenditure on repairs and capital improvements to our existing homes and communities was £152.1m. We also grew the number of affordable homes during the year, acquiring 40 existing homes and completing 186 new homes, taking the total of new homes completed over the course of the strategy to 800.

Our commitment to tackling homelessness is an important element of our five-year strategy. We allocated 1,657 homes to people experiencing homelessness during the year, bringing the total to more than 8,000 over the past five years and making a significant contribution to tackling this issue in Glasgow.

Customer engagement remains at the heart of everything we do. By the end of the financial year, 1,027 customers were registered with Stronger Voices, our customer feedback programme. Our customer satisfaction of 90%, reflects the progress we have made in ensuring customers can influence decision-making and help shape the services they receive.

The Wheatley Foundation, the Group's charitable arm, continued to play a vital role in reducing the impact of poverty across our homes and communities. Through its work, customers are supported to access education, training and employment opportunities, as well as practical and financial support. During the year, the Foundation helped over 7,000 customers experiencing financial hardship, created 795 jobs and training places, and provided furniture to almost 800 households.

As we begin the next stage of our journey, guided by our new five-year strategy, 'Making homes and lives better', WH Glasgow remains a high-performing organisation, well placed to respond to future challenges and meet the changing needs of our customers.

The following sections set out some of the key highlights from the year.

DIRECTORS' REPORT (continued)

OPERATING REVIEW (continued)

Building new homes
WH Glasgow built 186 new homes during the year, including 68 for social rent and 118 for mid-market rent. In addition, 40 existing homes were acquired in the year. Completed developments included:

- 75 homes in Pollokshaws for mid-market rent;
- 13 homes in North Toryglen, including 3 for social rent and 10 for mid-market rent; and
- 98 homes in Calton Village, including 65 for social rent and 33 for mid-market rent.

We also began work on a further 160 new homes in Ibrox, 41 homes at Sighthill, 45 in North Toryglen and 34 at Spoutmouth. Over the past five years, WH Glasgow has completed 800 new homes, including 287 for social rent and 513 for mid-market rent.

The £100m regeneration of Wyndford took another important step forward in 2025/26, with plans submitted to Glasgow City Council for 401 affordable new homes in the community. Alongside the new homes, the transformation will include a purpose-built community hub and new outdoor space, with work expected to start in 2027.

WH Glasgow's development at Calton Village received national recognition during the year, winning 'Best Regeneration Project' at the Inside Housing Development Awards and 'Excellence in Regeneration and Sustainability' at the CIH Scotland Awards. Wheatley, together with contractors Safedem and Despe, also won the 'Working in Collaboration' award at the World Demolition Awards in 2025.

Investing in our homes
WH Glasgow delivered £62.8m of planned improvements to homes and communities over the year including:

- £6.7m on 728 new kitchens and 100 bathrooms for homes across the city;
- £2.9m on external wall finishes, including fabric overhauls on 32 tenement blocks in Castlemilk;
- £5.1m on 1,392 new heating systems;
- £3.0m on internal works and common areas, including upgrades of 300 closes and entranceways across the city;
- £3.0m on mechanical, electrical and plumbing, including smoke and heat detector upgrades and new emergency lighting for two multi-storey blocks in Royston;
- £1.9m on structure and roofs including major repairs to two historic tenement blocks in the city centre; and
- £5.6m on modern, energy efficient new windows for 420 homes and 218 doors

Our investment programme reflects our targeted and strategic approach aligned to our tenant commitments, and their priorities. For example, fabric improvements to tenement blocks support a more place-based approach to investment, improving the condition, appearance and sustainability of neighbourhoods. Throughout the year, we maintained our focus on improving safety, comfort and the overall quality of homes, while meeting regulatory requirements.

Our repairs service
WH Glasgow carried out over 208,000 reactive repairs during the year and a total of £89.3m was spent on planned and reactive maintenance. Our average time to complete emergency repairs was 2.8 hours while non-emergency repairs averaged 7.3 days. The percentage of repairs completed right first time was 98.9%, up from 90.1% in 2024/25.

DIRECTORS' REPORT (continued)

OPERATING REVIEW (continued)

Building Safety
We continued to respond quickly and effectively to reports of damp and mould in our homes, supported by clear response targets and a grading process for all cases. Where mould was identified during inspection, 97.5% of cases were classified as mild.

We also continued our work to protect customers from the risk of fire and our fire team carried out 397 person-centred fire risk assessments in homes during the year. We delivered fire safety products, including air fryers, fire-retardant bedding and ashtrays, to 231 customers; installed 92 stove guards; upgraded detection systems in 108 homes; and installed specialist detection systems in 12 homes. Since 2021, there has been a 55% reduction in the number of accidental fires in our homes.

For properties at or above 18 metres we operate a rolling programme of flat entrance door fire checks. All flat entrance doors are inspected every six months. For properties below 18 metres, checks are completed annually.

Improving our communities
We continued our work to keep communities clean, safe and well maintained. Through our partnership with Keep Scotland Beautiful, the environmental charity assesses the service delivered by our environmental teams. In 2025/26, every WH Glasgow neighbourhood was rated five-star, the highest possible grade. A total of 37 WH Glasgow customers are now trained in Keep Scotland Beautiful standards and environmental monitoring, enabling them to take part in regular estate walkabouts with frontline staff.

Our Neighbourhood Environmental Teams removed almost 9,500 tonnes of bulk items from communities, supporting recycling and helping to prevent items going to landfill. Our new Environmental Improvement Team got to work and made a real difference to our neighbourhoods, power washing 510 communal paths, maintaining almost 1,100 gardens, clearing and cleaning more than 2,000 gutters and 330 high-level windows and soffits.

The 'Spring into Action' event in March 2026 saw environmental staff work alongside volunteers from schools, council partners, Wheatley contractors and community groups on local projects including litter picks, recycling and tree planting.

Wheatley's Community Improvement Partnership, made up of specialist police officers and our Anti-Social Behaviour Prevention and Intervention officers, continued to support customers affected by anti-social behaviour.

Letting homes
WH Glasgow allocated 1,657 homes to those experiencing homelessness during the year, representing more than 61% of relevant lets. This included 17 homes through Housing First, the multi-agency partnership to tackle rough sleeping in which Wheatley Group plays a leading role.

Over the past five years, WH Glasgow has allocated 8,005 homes to people experiencing homelessness. This included 422 temporary tenancies being 'flipped' into permanent homes for the people living in them.

Engaging with customers
We continued to engage with customers throughout the year, both online and in person. In 2025/26, almost 170,000 people used the WH Glasgow website and our social media following reached over 36,000.

DIRECTORS' REPORT (continued)

OPERATING REVIEW (continued)

By the end of the year, over 1,000 customers were registered with our Stronger Voices tenant engagement programme, helping to provide feedback and views across the range of the services we provide. Almost 5,000 people attended community events, while around 850 people attended pop-up events and surgeries. We also held 35 panel meetings or focus groups during the year and our customers accompanied us on over 60 walkabouts during the year.

Six WH Glasgow customers were involved in the Group Scrutiny Panel. The panel carries out thematic reviews of specific services and makes recommendations for improvement. The panel's work has received recognition from the Chartered Institute of Housing for tenant involvement.

Supporting our customers
A total of 25,008 WH Glasgow customers are now on Universal Credit, or approximately 60% of our customer base and an increase of more than 13% from last year as the migration from legacy benefit arrangements completed during the year. Our welfare benefit advisors supported over 5,100 people with their benefits over the year, resulting in £11.9m in financial gain for customers.

Wheatley Foundation created 795 jobs and training places for people in our communities and supported over 7,000 people experiencing financial hardship over the year, helping them maximise their income, manage outgoings and reduce costs.

As well as this, we:

- Provided 787 households with 2,755 free items of upcycled furniture through Home Comforts;
- Helped 696 new tenants with household budgeting, running a home and settling into their community through My Great Start, resulting in £661,000 in financial gain;
- Provided starter packs for 506 tenants who needed support moving into their home;
- Provided recycled digital devices for 77 tenants through our Techshare initiative;
- Awarded 40 people from our homes a bursary to go to college or university;
- Helped 3,051 tenants with their rent through our Helping Hands fund; and
- Helped 1,584 people access low-cost food through larders.

A total of 1,685 children and young people in our homes and communities benefited from Wheatley Foundation programmes in 2025/26. This included:

- 380 children under five who received 3,446 free books through the Dolly Parton Imagination Library initiative;
- 244 young people at schools across Glasgow who received a 'wee bursary';
- 144 young people took part in 'Dragon's Den'-style pitching through the Social Enterprise Academy;
- 665 young people who attended digital activities and classes through the Youth Access Learning Network; and
- 140 young people took part in taster sessions and site visits through Construction Aware, a project delivered in partnership with DYW, FARE and Glasgow Chamber of Commerce.

We also collected donations and other support to help 78 children enjoy Christmas.

Independent auditor
In accordance with Section 489 of the Companies Act 2006, and after a competitive tender process, 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 £60.3m for the year (2025: £54.3m). The increase was principally driven by higher grant income recognised on new build completions and the acquisition of existing homes, together with an improved surplus from core operations. This was partly offset by movements in the valuation of market rent homes and commercial rental properties and the transfer of grant income to Lowther on disposal of mid-market rent units, both of which are reported within other gains and losses.

The surplus was used to fund investment of £62.8m during the year (2025: £53.2m) which improves the quality of our homes and neighbourhoods.

Before other gains and losses and excluding the timing impact of grant income recognised on new build completions, WH Glasgow generated an operating surplus from core operations of £34.0m (2025: £28.8m). The £5.2m increase in the underlying operating surplus reflected strong letting performance, faster turnaround of void properties and the April 2025 rent increase, which together increased income from rents and service charges. Surpluses from operating activities are fully re-invested in improvements to social housing properties.

Non-cash items reported within operating surplus are:

- Other gains and losses include a £3.0m downward revaluation of market rental properties (2025: £3.5m upward revaluation). These properties are valued on an open market value, subject to tenancies basis. A downward valuation movement is reported on the 118 newly completed mid-market rent units on first valuation following completion. FRS 102 requires the associated grant income on these new completions to be recognised through profit or loss under the performance model and when the valuation is compared against gross development cost, this results in a non-cash accounting loss of £3.0m (2025: gain of £3.5m) being reported in operating surplus.

- Other gains and losses also include the transfer of £7.2m of grant income to Lowther Homes Limited following the disposal to Lowther Homes of 100 mid-market rent units with net cash proceeds received of £7.1m.

- Grant income recognised on completion of new build properties and property acquisitions was £36.4m, compared with £22.0m in the prior year, an increase of £14.4m. Grant received for new build developments is held on the Statement of Financial Position until the related properties are completed, at which point it is recognised as income within operating surplus. The amount recognised therefore varies year to year, depending on the timing and scale of completions in the development programme. During 2025/26, WH Glasgow completed 186 new homes (2024/25: 178) and acquired 40 existing properties (2024/25: 16).

Turnover recognised in the Statement of Comprehensive Income increased to £300.9m (2025: £272.2m). Rental and service charge income, net of void losses, remained the main source of turnover, contributing £238.0m, or 79.1% of the total (2025: £222.1m, or 81.6%). The balance of turnover included:

- Grant income recognised on the completion of new build properties and acquisitions, grants received to deliver investment work in homes, grant for medical adaptations and grant received for demolitions works totalling £44.1m (2025: £34.2m)
- Investment property income from the letting of market rent homes and commercial shop units totalling £9.8m (2025: £8.7m)
- Other income for works to owners' properties, way leave and solar panels and gift aid income from Wheatley Developments Scotland Ltd totalling £6.2m (2025: £4.2m)
- Income for support activities totalling £2.3m (2025: £2.2m)

DIRECTORS' REPORT (continued)

FINANCIAL REVIEW (continued)

Operating costs for the year amounted to £230.4m (2025: £221.4m). The main items of expenditure were as follows:

- Letting activity management and administration costs of £44.3m (2025: £43.4m)
- Planned repair and reactive maintenance costs of £26.6m and £62.7m respectively (2025: £25.0m and £55.9m)
- Total depreciation costs of £80.1m (2025: £76.5m)
- Restructuring costs of £1.1m (2025: £3.5m)
- Costs associated with our wider role in supporting communities of £3.8m (2025: £3.6m), including donations to Wheatley Foundation of £1.8m (2025: £2.4m) to provide continued support for our customers

Interest costs in the year of £55.0m (2025: £53.9m) are £1.1m 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 £2.1m loss (2025: £1.5m 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 £3.6m (2025: surplus of £2.2m).

Cashflows
WH Glasgow continued to generate strong operating cashflows, with £93.5m generated from operating activities during the year (2025: £101.0m). The £7.5m reduction from the prior year primarily reflected the timing of debtor and creditor settlements, in particular welfare payments from the local authority. Cash generated from operating activities was reinvested in improving existing homes. Cash and cash equivalents decreased by £10.9m in the year (2025: increased by £9.6m), mainly due to the movement in working capital within operating activities.

Liquidity
WH Glasgow reported total reserves of £1,005.6m, an increase of £117.3m in the year. The value of social housing properties increased by £127.9m, reflecting the long-term value of continued investment in customers' homes and the new-build programme. As the valuation is prepared on an Existing Use Value for Social Housing ("EUV-SH") basis, the movement in value will not necessarily correspond directly to the level of capital investment made during the year.

WH Glasgow reported net current liabilities of £31.5m at 31 March 2026, compared with £55.1m at 31 March 2025. The improvement primarily reflects a lower level of deferred grant income due to be released within one year, driven by the phasing of expected completions in the development programme, with 77 units expected to complete in 2026/27 compared with 128 units which were expected to complete at 31 March 2025. Net rent arrears were £7.5m at the year-end (2025: £6.9m), after recognising a bad debt provision of £7.1m (2025: £7.0m). Rent arrears also improved as a percentage of rent due, reducing to 5.33% at the end of the March 2026 billing period, compared with 5.44% at the equivalent point in 2025.

Borrowings due after more than one year to fund the development of new housing have increased to £1,127.2m from £1,086.0m, linked to the completion of 186 new homes and 40 properties acquired during the year. 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 20. At 31 March 2026, WH Glasgow had accessed £1,138.0m of the intra-group facility which is secured on its housing stock. Interest rate risk is managed at a group level by WFL1.

Investment in customers' homes
During the year we invested £62.8m in improving customers' homes (2025: £53.2m). At the year-end our housing stock (including housing under construction) was valued at £2,133.7m (2025: £1,989.7m).

New Build
During the financial year we completed 186 new build properties across three developments, in addition to the acquisition of 40 properties. Our new build programme invested £58.1m in the year. The Business Plan includes a further projected spend of £569.0m 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 2026 and show a DB pension liability in relation to unfunded obligations of £1.8m (2025: liability of £1.8m). 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 has 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.

DIRECTORS' REPORT (continued)

FINANCIAL REVIEW (continued)

Revenue reserve (continued)
The revenue reserve includes revaluation gains on investment properties, including the portfolio of commercial properties and its ownership of 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 realised in cash, since selling WH Glasgow's interest in 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 Group, the principal risks are broadly similar to those facing the Wheatley Group and can be seen in the consolidated financial statements of the Wheatley Group.

By order of the Board

[redacted]

Maureen Dowden, Chair
16 September 2026

Wheatley House
25 Cochrane Street
Glasgow
G1 1HL

DIRECTORS' REPORT (continued)

WH GLASGOW BOARD, COMMITTEE STRUCTURE AND RELATED MATTERS

As at 31 March 2026 WH Glasgow's Rules allowed for the appointment of a minimum of 7 and a maximum of 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 2026 there were 10 members (2025: 9 members) of the WH Glasgow Board: 4 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	12 September 2025	-	Wheatley Housing Group Limited Wheatley Solutions Limited Group Audit Committee Group Remuneration, Appointments, Appraisal and Governance Committee Strategic Development Committee City Building Glasgow LLP City Building Glasgow LLP (audit committee) Transforming Communities Glasgow
Patrick Gray (parent appointee)	1 May 2017	25 May 2023	11 September 2026	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	11 September 2026	Wheatley Foundation
Mary Ann Amiwero (tenant member)	16 August 2024	-	-	
Rhona Conteh (tenant member)	16 August 2024	-	-	Wheatley Housing Group Limited
Christopher Quinn (tenant member)	09 May 2025	-	-	
Andrew Clark (Independent)	30 November 2018	12 September 2025	-	Wheatley Developments Scotland Limited City Building Glasgow LLP City Building Glasgow LLP (audit committee)
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	-	-	
Councillor Paul Carey (Glasgow City Council appointee)	11 September 2025	-	-	City Building Glasgow LLP City Building Glasgow LLP (audit committee)

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 and aims to pay undisputed and valid invoices 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

[redacted]

Maureen Dowden, Chair
16 September 2026

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 2026 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 2026 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.

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.

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

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

22 September 2026

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £'000	2025 £'000
Turnover	3	300,881	272,201
Operating expenditure	3	(230,440)	(221,413)
Other (losses) / gains	3	(10,187)	3,508
Operating surplus		60,254	54,296
Gain on disposal of fixed assets	10	151	114
Finance income	11	270	225
Finance charges	12	(54,974)	(53,942)
Movement in fair value of financial instruments		(2,127)	1,505
Surplus for the financial year		3,574	2,198
Unrealised surplus on the valuation of housing properties		109,675	87,177
Unrealised surplus on the valuation of other fixed assets		540	27
Actuarial gain in respect of pension schemes		3,489	5,950
Total comprehensive surplus for the year		117,278	95,352

All amounts relate to continuing operations.

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2026

	Revenue Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 1 April 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
Total comprehensive surplus for the year	117,278	-	117,278
Transfer of reserves for the revaluation of housing properties	(109,675)	109,675	-
Transfer of reserves for the revaluation of other fixed assets	(540)	540	-
Balance at 31 March 2026	181,208	824,394	1,005,602

The notes on pages 21 to 48 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2026

	Notes	2026 £'000	2025 £'000
Fixed assets			
Social housing properties	15	2,015,388	1,887,476
Other tangible fixed assets	16	73,201	71,987
Investment properties	17	130,701	114,490
Investments - other	17	17,675	14,334
		2,236,965	2,088,287
Current assets			
Trade and other debtors	18	75,836	56,155
Cash and cash equivalents		2,168	13,058
		78,004	69,213
Creditors: amounts falling due within one year	19	(109,552)	(124,295)
Net current liabilities		(31,548)	(55,082)
Total assets less current liabilities		2,205,417	2,033,205
Creditors: amounts falling due after more than one year	20	(1,196,106)	(1,140,865)
		1,009,311	892,340
Provisions for liabilities			
Pension liability	23	(1,766)	(1,769)
Other provisions	21	(1,943)	(2,247)
Total net assets		1,005,602	888,324
Reserves			
Share capital	22	-	-
Revenue reserve including pension reserve		181,208	174,145
Revaluation reserve		824,394	714,179
Total reserves		1,005,602	888,324

These financial statements were approved by the Board on 14 August 2026 and signed on its behalf on 16 September 2026 by:

[redacted] [redacted] [redacted]

Maureen Dowden	Andrew Clark	Anthony Allison
Chair	Board member	Secretary

The notes on pages 21 to 48 form part of these financial statements.

Charity registration number SC034054.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Notes	**2026** **£000**	**2025** **£000**
Net cash generated from operating activities	25	93,502	101,028
Cash flow from investing activities			
Improvement of social housing properties	15	(62,638)	(52,954)
Construction of new properties		(57,018)	(51,505)
Purchase of other fixed assets	16	(11,600)	(17,134)
Improvement of investment properties	17	(184)	(173)
Proceeds from disposal of assets	9/10	7,325	217
Grants received	20	39,920	27,899
Finance income		4	9
		(84,191)	(93,641)
Cash flow from financing activities			
Finance charges		(52,701)	(51,756)
Convertible loan issued to Lowther Homes Limited		(9,000)	(6,000)
Financing drawn down		65,000	76,000
Financing repayment		(23,500)	(16,000)
		(20,201)	2,244
Net change in cash and cash equivalents		(10,890)	9,631
Cash and cash equivalents at beginning of the year		13,058	3,427
Cash and cash equivalents at end of the year		2,168	13,058
Cash and cash equivalents at 31 March			
Cash		2,168	13,058

The notes on pages 21 to 48 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. Legal status

WH Glasgow Limited ("WH Glasgow" or "the Association") is a wholly owned subsidiary of The Wheatley Housing Group ("Wheatley Group"). 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 2010. 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 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 2026 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 Association's budget for 2026/27 and the financial position as forecast in the 30-year business plan and being satisfied that the Group Board has undertaken a similar review, 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 take account of the risks 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 2026 (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 modelled to take account of additional investment spend to deliver future energy efficiency improvements;
- Liquidity – notwithstanding the entity's net current liability position of £31.5m, of which a significant proportion of current liabilities (£11.0m) is comprised of deferred income, the Association had current available cash of £2.2m and, together with the other Group RSLs, had access to £510.0m of undrawn loan facilities arranged through WFL1. This provides 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 the Association has 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 the Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has 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 the Wheatley Group 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 Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (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 No. 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 2026 (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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

2. Accounting policies (continued)

- **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 Wheatley 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.

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:

	Economic Life
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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

2. Accounting policies (continued)

- **Non-social housing properties**

Housing for mid-market and full 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.

Mid-market and full 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

2. Accounting policies (continued)

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 the Association 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.

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 2026 (continued)

2. Accounting policies (continued)

Standards issued but not yet effective

Amendments to FRS 102 arising from the Periodic Review 2024 have been issued by the Financial Reporting Council and are effective for accounting periods beginning on or after 1 January 2026. These amendments include a revision to the revenue recognition model aligned to IFRS 15 five step approach and fundamental revision to lease accounting under Section 20, which will require lessees to recognise most leases on the Statement of Financial Position as a right of use asset with a corresponding lease liability. The revised requirements broadly align FRS 102 lease accounting with IFRS 16 and remove the distinction between operating and finance leases for lessees, subject to limited exemptions for short-term and low value leases.

The amendments will be applied by the Association for the first time in the financial statements for the year ending 31 March 2027.

The Association is currently assessing the impact of the revised revenue and lease accounting requirements. This work includes identifying and validating the Association's lease population (including land and buildings, vehicles and equipment), determining appropriate lease terms and discount rates, and assessing the potential effects on the Association's Statement of Financial Position, Statement of Comprehensive Income and key financial metrics, including loan covenant measures.

While the full financial impact of adopting the revised lease accounting requirements has not yet been quantified, the Association expects that total assets and liabilities will increase on adoption, with corresponding changes to the presentation and timing of lease related expenses. Further information on the impact of these changes will be disclosed in the financial statements for the period in which the amendments are first applied.

3. Particulars of turnover, operating costs and operating surplus

	2026				2025
	Turnover	Operating costs	Other gains/ (losses)	Operating surplus	Operating surplus
	£'000	£'000	£'000	£'000	£'000
Affordable letting activities (note 4)	282,090	(208,976)	-	73,114	57,655
Other activities (note 5)	18,791	(21,464)	-	(2,673)	(6,867)
Valuation movement on investment properties (note 17)	-	-	(2,994)	(2,994)	3,508
Loss on disposal of properties (note 9)	-	-	(7,193)	(7,193)	-
Total	300,881	(230,440)	(10,187)	60,254	54,296
Total for previous reporting period	272,201	(221,413)	3,508	54,296	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

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

	2026				2025
	General Needs £'000	**Supported Housing £'000**	**Shared Ownership £'000**	**Total £'000**	**Total £'000**
Rent receivable net of service charges	234,173	4,549	62	238,784	222,950
Service charges	1,850	36	-	1,886	1,797
Gross income from rents and service charges	236,023	4,585	62	240,670	224,747
Less rent losses from voids	(2,624)	(51)	(1)	(2,676)	(2,627)
Net income from rents and service charges	233,399	4,534	61	237,994	222,120
Grants released from deferred income – new build	35,744	694	9	36,447	21,977
Other revenue grants	7,501	146	2	7,649	12,244
Total turnover from affordable letting activities	276,644	5,374	72	282,090	256,341
Management and maintenance administration costs	(43,397)	(843)	(12)	(44,252)	(43,422)
Service costs	(4,710)	(91)	(1)	(4,802)	(6,763)
Planned and cyclical maintenance including major repairs costs	(26,077)	(507)	(7)	(26,591)	(25,025)
Reactive maintenance costs	(61,483)	(1,194)	(16)	(62,693)	(55,856)
Bad debts – rents and service charges	(1,457)	(28)	-	(1,485)	(1,110)
Depreciation of affordable let properties	(67,817)	(1,318)	(18)	(69,153)	(66,510)
Operating costs for affordable letting activities	(204,941)	(3,981)	(54)	(208,976)	(198,686)
Operating surplus for affordable letting activities	71,703	1,393	18	73,114	57,655
Operating surplus for affordable letting activities for the previous reporting period	56,538	1,103	14	57,655	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (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	2026 Operating surplus /(deficit) £'000	2025 Operating surplus /(deficit) £'000
Wider role activities to support the community	-	358	358	(3,830)	(3,472)	(3,561)
Investment property activities	-	9,848	9,848	(609)	9,239	8,077
Support activities	-	2,327	2,327	(2,356)	(29)	36
Demolition activities	-	-	-	-	-	(41)
Other income	-	6,236	6,236	(2,661)	3,575	1,930
Depreciation – Non Social Housing	-	-	-	(10,899)	(10,899)	(9,968)
Organisation Restructuring	-	-	-	(1,088)	(1,088)	(3,532)
Development & Construction of Property Activities	-	22	22	(21)	1	192
Total from other activities	-	18,791	18,791	(21,464)	(2,673)	(6,867)
Total from other activities for the previous reporting period	-	15,860	15,860	(22,727)	(6,867)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

6. Board members' emoluments

Board members received £1,336 (2025: £1,300) 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 Wheatley Group. The total emoluments payable to Wheatley Group key management personnel are disclosed in the Wheatley Group consolidated financial statements. The Association pays a share of the costs of these personnel which includes employer pension contributions and benefits in kind.

	2026	**2025**
	£ 000	**£ 000**
Aggregate emoluments payable to key management (excluding pension contributions)	463	533

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

£0 to £10,000	1	-
£40,001 to £50,000	1	1
£90,001 to £100,000	2	5
£100,001 to £110,000	2	-

The key management are defined for this purpose as the Chief Executive and the Group Executive team in post at 31 March 2026. 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 £29k (2025: £34k) were paid for the Chief Executive and the Group Executive team in post at 31 March 2026.

There were six senior officers in post at 31 March 2026.

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
Sharon Wearing	Group Director of Development & City Building (from 16 November 2025)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

8. Employees

	2026 No.	2025 No.
The average total number of employees employed during the year was	1,817	1,762
The average monthly number of full time equivalent persons employed during the year was	1,787	1,733

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

	2026 £'000	2025 £'000
Staff costs (for the above persons)		
Wages and salaries	74,848	69,491
Social security costs	9,364	7,153
Employer's pension costs	5,084	4,985
FRS 102 adjustment	3,302	5,449
	92,598	87,078

9. Transfer of grant on disposal

On 30 March 2026 WH Glasgow sold 100 mid-market rent ("MMR") properties to Lowther Homes Limited ("Lowther"). The difference between the consideration paid by Lowther and the carrying value of the properties relates to the transfer of grant received by WH Glasgow to Lowther on the construction of these properties. All obligations under the grant agreement in relation to the properties sold transfers to Lowther Homes. This grant was originally recognised as income in the Statement of Comprehensive Income by WH Glasgow on completion of the build of the properties.

	2026 £'000	2025 £'000
Proceeds from disposal of properties	7,147	-
Value of properties disposed	(14,340)	-
Loss on disposal of properties (represented by grant transferred)	(7,193)	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued

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

Gain on disposal in the year includes net income from the sale of land to Lowther Homes Limited (2025: two social rent properties) and any gain on the disposal of other fixed assets in the year.

		2026			**2025**	
	£'000 Properties	**£'000** Other assets	**£'000** Total	**£'000** Properties	**£'000** Other assets	**£'000** Total
Net proceeds from disposal of assets	-	178	178	198	19	217
Value of assets disposed	-	(27)	(27)	(87)	(16)	(103)
Gain on sale of fixed assets	-	151	151	111	3	114

11. Finance income

	2026 £'000	**2025 £'000**
Bank interest received	4	9
Interest on intra group loans	266	216
Total	270	225

12. Finance charges

	2026 £'000	**2025 £'000**
Interest on intra group loans	51,082	50,408
Other financing costs	3,708	3,299
Interest on pension scheme (note 23)	184	235
Total	54,974	53,942

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.

13. Auditor's remuneration

	2026 £'000	**2025 £'000**
The remuneration of the auditor (excluding VAT):		
Audit of these financial statements	133	130

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued

14. Financial commitments

Capital commitments
All capital commitments of the Association were as follows:

	2026 £'000	2025 £'000
Expenditure contracted for, but not provided in the financial statements	39,841	23,810
Expenditure authorised by the Board, but not contracted	382	2,486
	40,223	26,296

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.

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

	2026 £'000 Land and Buildings	2026 £'000 Other	2025 £'000 Land and Buildings	2025 £'000 Other
Operating leases that fall due:				
Within one year	409	1,208	487	1,304
In the second to fifth years inclusive	1,425	1,648	1,545	996
Over five years	448	1,018	760	30
	2,282	3,874	2,792	2,330

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 2026 (continued)

15. Tangible fixed assets – Social Housing Properties

	Core Stock £'000	Shared Ownership £'000	Housing Under Construction £'000	Total £'000
Valuation				
At 1 April 2025	1,822,823	706	63,947	1,887,476
Additions	62,638	-	58,113	120,751
Disposals	-	-	-	-
Transfers	28,606	-	(61,967)	(33,361)
Revaluation	40,513	9	-	40,522
At 31 March 2026	1,954,580	715	60,093	2,015,388
Accumulated Depreciation				
At 1 April 2025	-	-	-	-
Charge for year	69,145	8	-	69,153
Disposals	-	-	-	-
Revaluation	(69,145)	(8)		(69,153)
At 31 March 2026	-	-	-	-
Net Book Value - Valuation				
At 31 March 2026	1,954,580	715	60,093	2,015,388
At 31 March 2025	1,822,823	706	63,947	1,887,476
Net Book Value - Cost				
At 31 March 2026	1,647,162	282	60,093	1,707,537
At 31 March 2025	1,625,062	290	63,947	1,689,299

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

	2026 No.	2025 No.
Social Housing		
General needs	41,488	41,380
Supported housing	806	806
Shared ownership	11	11
Housing held for long-term letting	42,305	42,197
Housing approved / planned for demolition	74	74
Total Units	42,379	42,271

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 2026 (continued)

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

Total expenditure on repairs and capital improvements in the year on existing social housing properties was £151.9m (2025: £133.9m). Of this, repair costs of £89.3m (2025: £80.9m) were charged to the Statement of Comprehensive Income (note 4) with capital improvements of £62.6m (2025: £53.0m) shown as additions to core stock on the Statement of Financial Position. Additions to core stock in the year of £62.6m (2025: £53.0m) in the year include:

- £28.2m for component additions including:
    - £0.2m on bathrooms;
    - £2.9m on external wall finishes;
    - £5.1m on heating system boilers;
    - £3.0m on internal works and common areas;
    - £6.5m on kitchens;
    - £3.0m on mechanical, electrical and plumbing;
    - £1.9m on structure and roofs; and
    - £5.6m on windows and doors.

- The remaining balance of £34.4m of additions to existing properties not associated with a specific component includes £18.5m on void improvements, £3.0m of medical adaptations and £12.9m of capitalised repairs.

Additions to housing under construction include capitalised interest costs of £1.1m (2025: £1.1m). Interest has been capitalised at the weighted average interest cost for the Association of 4.55% (2025: 4.84%).

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 2026/27. The demolition programme identifies 74 properties (2025: 74 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 £1,955.3m. Housing under construction, with a NBV of £60.1m, 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 2026 on an Existing Use Valuation for Social Housing ("EUV-SH"). Discount rates between 5.75-8.00% have been used depending on the property archetype (2025: 5.50-7.00%). 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 2025/26 no social rent properties were disposed of (2025: two properties, £198k).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

16. 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 2025	29,973	14,962	11,523	35,160	76,543	168,161
Additions	3,004	313	346	489	7,448	11,600
Disposals	-	-	-	(125)	-	(125)
Revaluation	-	-	(54)	-	-	(54)
At 31 March 2026	32,977	15,275	11,815	35,524	83,991	179,582
Accumulated Depreciation						
At 1 April 2025	6,652	5,060	-	30,591	53,871	96,174
Charge for year	1,575	425	594	1,415	6,890	10,899
Disposals	-	-	-	(98)	-	(98)
Revaluation	-	-	(594)	-	-	(594)
At 31 March 2026	8,227	5,485	-	31,908	60,761	106,381
Net Book Value						
At 31 March 2026	24,750	9,790	11,815	3,616	23,230	73,201
At 31 March 2025	23,321	9,902	11,523	4,569	22,672	71,987

Office premises were valued by an independent professional adviser, Jones Lang LaSalle, on 31 March 2026 in accordance with the appraisal and valuation manual of the RICS.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

17. Investments

Investment Properties

	Properties held for market rent £'000	Commercial Properties £'000	Total £'000
Valuation			
At 1 April 2025	102,211	12,279	114,490
Additions	175	9	184
Disposals	(14,340)	-	(14,340)
Transfers	33,361	-	33,361
Revaluation taken to operating surplus	(3,047)	53	(2,994)
At 31 March 2026	118,360	12,341	130,701
Net Book Value			
At 31 March 2026	118,360	12,341	130,701
At 31 March 2025	102,211	12,279	114,490

Mid and full market rent properties were valued at market value subject to tenancy ("MV-T") by an independent professional adviser, Jones Lang LaSalle, on 31 March 2026.

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

	2026 No.	2025 No.
Market Rent Properties		
Total Units	993	975

Commercial properties were valued by an independent professional adviser, Jones Lang LaSalle, on 31 March 2026 in accordance with the appraisal and valuation manual of the RICS.

Investments - other

Due after more than one year:

	2026 £'000	2025 £'000
Unsecured subordinated convertible loan due from Lowther Homes Limited	17,675	14,334

The Association 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 18). 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 2026 (continued)

18. Debtors

	2026 £'000	2025 £'000
Due in more than one year:		
Due from other group companies	28,384	22,460
	28,384	22,460
Due within one year:		
Arrears of rent and service charges	14,707	14,044
Adjustment to discount arrears balances with payment plans to NPV	(117)	(113)
Less: provision for bad and doubtful debts	(7,132)	(7,011)
	7,458	6,920
Prepayments and accrued income	16,702	9,500
Other debtors	9,206	8,238
Due from other group companies	14,086	9,037
Total	75,836	56,155

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, March 2025 and March 2026, and is due to mature in 2043. Interest on this instrument has been charged at 6.00% in the year (2025: 6.00%).

The Wheatley Foundation has agreed to deliver certain charitable community programmes on the Association's behalf. Under this arrangement, these programmes were funded in part during the year by the Association 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.

19. Creditors: amounts falling due within one year

	2026 £'000	2025 £'000
Trade creditors	6,559	7,236
Accruals	19,461	19,231
Deferred income (note 20)	10,959	24,658
Rent and service charges received in advance	14,910	18,558
Salaries, wages, other taxation and social security	2,298	680
Other creditors	14,347	14,377
Due to other group companies	41,018	39,555
Total	109,552	124,295

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 2026 (continued)

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

	2026	2025
	£'000	£'000
Scottish Government contingent efficiencies grant	51,303	46,943
Deferred income	17,639	7,892
Amount due to group company	1,127,164	1,086,030
Total	1,196,106	1,140,865

Scottish Government contingent efficiencies grant

The Scottish Government made available to the Association £100.0m of contingent efficiencies grant over an eight-year period. Under this agreement £100.0m (2025: £100.0m) has been received which is an interest free loan with repayment due in 2040/41. The amount due of £51.3m at 31 March 2026 (2025: £46.9m) 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 £2.3m (2025: £2.2m)
- fair value movement loss of £2.1m (2025: gain of £1.5m)

Interest costs are reported within finance charges (note 12). 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 £449.5m from a syndicate of commercial banks, two committed facilities totalling £240.9m 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, bilateral banking facilities totalling £535m with RBS, Bank of Scotland, Barclays and Nationwide, and £102.3m charitable bonds via Allia Social Impact Investments. This provided total facilities of £2,116.7m for RSLs within the Wheatley Group.

The facility is provided to the Association via a wholly owned subsidiary of Wheatley Housing Group Limited, Wheatley Funding No. 1 Limited. At 31 March 2026, WH Glasgow had accessed £1,138.0m of the intra-group facility which is secured on its housing stock. Interest in the year has been charged at 4.55% (2025: 4.84%).

WH Glasgow has secured a major portion of its social and market rent housing stock (£1,932.0m) against this facility. At 31 March 2026, 4.5% (£164.0m) of WH Glasgow's housing properties remained unsecured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

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

Borrowings are repayable as follows:	2026 £'000	2025 £'000
In less than one year	-	-
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	1,127,164	1,086,030
	1,127,164	1,086,030

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 2025	30,754	1,796	32,550
Additional income received	33,605	6,315	39,920
Released to the Statement of Comprehensive Income	(36,447)	(7,425)	(43,872)
Deferred income as at 31 March 2026	27,912	686	28,598

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:	**2026 £'000**	**2025 £'000**
In less than one year (note 19)	10,959	24,658
In more than one year but less than five years	17,428	7,892
In more than five years	211	-
	28,598	32,550

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

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

Financial instruments	**2026 £'000**	**2025 £'000**
Financial assets:		
Measured at amortised cost:		
Debtors and accrued income	47,452	33,695
Measured at fair value:		
Due from other group companies	28,384	22,460
Total	75,836	56,155

	2026 £'000	**2025 £'000**
Financial liabilities:		
Measured at amortised cost:		
Creditors, accruals and deferred income	1,254,355	1,218,217
Measured at fair value:		
Scottish Government loan	51,303	46,943
Total	1,305,658	1,265,160

Income earned and expense payable on the financial assets and liabilities is disclosed in notes 11 and 12 respectively.

21. Provisions for liabilities and charges

	Dilapidation Provision £'000	**Insurance £'000**	**Other £'000**	**Total £'000**
At 1 April 2025	913	1,056	278	2,247
Created in the year	-	-	-	-
Utilised	(23)	(3)	(278)	(304)
At 31 March 2026	890	1,053	-	1,943

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 recognised for the estimated costs of remedial works required to properties owned by WH Glasgow was fully utilised in the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

22. Share capital

	2026 £	2025 £
Shares of £1 each issued and fully paid		
At 1 April	10	9
Issued during year	2	3
Surrendered during year	(1)	(2)
At 31 March	11	10

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.

23. Pensions

Strathclyde Pension Fund

The Association 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. A full triennial actuarial valuation is currently being undertaken as at 31 March 2026. At the date of approval of these financial statements, detailed results of this valuation are not yet available.

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 the Association 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 2026	31 March 2025
Discount rate	6.20%	5.80%
Future salary increases*	2.40%	2.20%
Inflation	3.00%	2.80%

*Salary increases are assumed to be 3.80% for 2026/27, 2.50% in years two to five and 2.00% p.a. thereafter.

In valuing the liabilities of the pension fund at 31 March 2026, 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 2026 (continued)

23. 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: 20.4 years (male) (2025: 20.0 years), 23.3 years (female) (2025: 23.2 years).
- Future retiree upon reaching 65*: 21.0 years (male) (2025: 20.7 years), 24.5 years (female) (2025: 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

	2026 £'000	**2025 £'000**
Opening defined benefit obligation	387,935	448,466
Current service cost	5,590	7,525
Past service cost	1,104	2,055
Interest cost	22,489	21,410
Actuarial gains	(5,841)	(74,133)
Contributions by members	2,856	2,746
Benefits paid	(16,422)	(20,134)
Closing defined benefit obligation	397,711	387,935

Movements in fair value of plan assets

	2026 £'000	**2025 £'000**
Opening fair value of plan assets	692,742	682,009
Interest income	40,074	32,483
Actuarial gains/(losses)	23,725	(8,493)
Contributions by the employer	3,392	4,131
Contributions by the members	2,856	2,746
Benefits paid	(16,422)	(20,134)
Closing fair value of plan assets	746,367	692,742

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

23. Pensions (continued)

	2026 £'000	2025 £'000
Present value of funded defined benefit obligations	(395,945)	(386,166)
Present value of unfunded defined benefit obligations	(1,766)	(1,769)
Fair value of plan assets	746,367	692,742
Surplus before asset ceiling adjustment	348,656	304,807
Impact of asset ceiling	(350,422)	(306,576)
Net liability	(1,766)	(1,769)

Reconciliation of change in asset ceiling

	2026 £'000	2025 £'000
Opening impact of asset ceiling	306,576	235,578
Interest on impact of asset ceiling	17,769	11,308
Actuarial losses	26,077	59,690
Closing impact of asset ceiling	350,422	306,576

At 31 March 2026, the Group's share of the Strathclyde Pension Fund was in surplus. However, under FRS 102 and IFRIC 14, a surplus can only be recognised to the extent that it is recoverable through a refund from the Fund or through future reductions in contributions. Following an assessment by the Scheme Actuary, the Group concluded that it does not have an unconditional right to a refund of the surplus and that no economic benefit is available through future contribution reductions. Accordingly, the full funded surplus of £350,422k has been restricted by the asset ceiling and no pension asset has been recognised on the balance sheet. As a result, only the unfunded pension obligations of £1,766k are recognised as a liability at 31 March 2026.

Expense recognised in the statement of comprehensive income

	2026 £'000	2025 £'000
Current service cost	5,590	7,525
Past service cost	1,104	2,055
Net interest on net defined benefit obligation (notes 12)	184	235
	6,878	9,815

The total amount recognised in the statement of comprehensive income in respective of actuarial gains and losses is £3,489k gain (2025: £5,950k gain) as follows:

	2026 £'000	2025 £'000
Remeasurement on account of defined benefit liability	(5,841)	(74,133)
Remeasurement on account of plan assets	(23,725)	8,493
Re-measurements for change in asset ceilings	26,077	59,690
Actuarial gain	(3,489)	(5,950)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

23. Pensions (continued)

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

	2026 £'000	**2025 £'000**
Equities	432,893	415,645
Corporate bonds	164,201	159,331
Property	74,637	62,347
Cash	74,636	55,419
	746,367	692,742
Actual return on plan assets	63,799	23,990

24. 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 (resigned 11 September 2026)
Mary Ann Amiwero
Rhona Coneth
Christopher Quinn (appointed 09 May 2025)

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

	2026 £'000
Rent charged during the year	22
Arrears balances outstanding at 31 March 2026	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

24. Related party transactions (continued)

Other related parties

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

	Received in year	Paid in the year	Year end balance
	£'000	£'000	£'000
2026			
Strathclyde Pension Fund	-	3,392	-
Scotcash CIC	-	-	-
Transforming Communities Glasgow	172	-	-

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

During the year the Association 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 the Association held nomination rights to a directorship of Scotcash CIC. These rights allow the Association to nominate up to two directors to the board of Scotcash with Pauline Turnock and David Rockliff serving on the board during the year and until it's dissolution on 8 April 2026.

25. Cash Flow Analysis

Cash flow from operating activities	2026	2025
	£'000	£'000
Surplus for the year	3,574	2,198
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	80,052	76,478
Increase in trade and other debtors	(13,757)	(4,470)
(Decrease)/increase in trade and other creditors	(2,360)	2,251
(Decrease)/Increase in provisions	(304)	114
Pension costs less contribution payments	3,302	5,449
Adjustments for investing or financing activities:		
Gain on disposal of fixed assets	(151)	(114)
Government grants utilised in the year	(43,872)	(29,582)
Interest paid	54,974	53,942
Interest received	(270)	(225)
Movement in fair value of financial instruments	2,127	(1,505)
Loss/(gain) on investment activities	2,994	(3,508)
Transfer of grant on disposal of MMR units	7,193	-
Net cash inflow from operating activities	**93,502**	**101,028**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 (continued)

26. 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 Group. The consolidated financial statements of Wheatley Group may be obtained from the registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

SUPPLEMENTARY INFORMATION

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