

**COMPANY REGISTRATION NUMBER: SC401352**

**CHARITY REGISTRATION NUMBER: SC042381**

**Scotland's Housing Network  
Company Limited by Guarantee  
Financial Statements  
31 March 2018**

# Scotland's Housing Network

Company Limited by Guarantee

## Financial Statements

Year ended 31 March 2018

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# Scotland's Housing Network

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 March 2018

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2018.

#### Reference and administrative details

**Registered charity name** Scotland's Housing Network

**Charity registration number** SC042381

**Company registration number** SC401352

**Principal office and registered office** Verity House  
19 Haymarket Yards  
Edinburgh  
EH12 5BH

#### The trustees

Mr J Wolstencroft (Chair)

Ms M Callan (Vice Chair)

Mr P Smith

Ms S McLeod

Mr N Ferguson

Mr W Banks

Ms M Boyter

Mr M Wood

Mr G Winning

Mr F Smith

Mr S Kristmanns

(Appointed 5 October 2017)

(Appointed 5 October 2017)

# Scotland's Housing Network

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

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#### Key management personnel

Managing Director Elaine Byrne  
ALACHO Policy Manager Anthony Cain

**Auditor** Paterson Boyd & Co Limited  
Chartered Accountants & Statutory Auditor  
18 North Street  
Glenrothes  
Fife  
KY7 5NA

**Bankers** Lloyds TSB  
4th Floor  
Finance House  
Orchard Brae  
Edinburgh  
EH4 1PF

**Solicitors** Dentons UK and Middle East LLP  
1 George Square  
Glasgow  
G2 1AL

# Scotland's Housing Network

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

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#### Structure, governance and management

Scotland's Housing Network (SHN) is a consortium of local authority and housing association landlords. Its legal and governance structure is as an incorporated charity. The charity changed its name on 19 January 2016 and was formerly known as Scottish Housing Best Value Network.

The current trustees are all employees of member organisations of SHN which comprise of seven local authority councils and four housing associations. The trustees do not hold governance positions within these organisations. Trustees are appointed following an election at the Annual General Meeting.

The number of trustees cannot be less than three and is subject to a maximum of 12. At each AGM, one-third of the directors are to retire in order of longevity in office. A director who is due to retire is eligible for reappointment. A director who has served nine years as a director is not eligible for appointment for a period of two years unless at the sole discretion of the Directors an extension is granted following an assessment of the appropriateness. An extension can be for no longer than three years.

The pay and remuneration for the charity's key management personnel is agreed annually by the Board of Trustees. Inflationary increases are applied to agreed pay scales and take into account inflationary increases applied in local government, the social housing and charity sectors and prevailing inflation rates at the time.

The day to day running of the organisation is under the control of an employee of the charity, the administrative director, Elaine Byrne.

#### Objectives and activities

The purpose of SHN is to support social landlords in Scotland to deliver customer focussed, efficient and effective services which are of the highest quality and are value for money. This purpose is furthered by:

- undertaking research, study and assessment to benchmark good practice in the provision of housing in Scotland;
- encouraging and facilitating the sharing of information and experience among members;
- providing, including to other organisations, training in areas connected with the foregoing; and
- making representations on behalf of the charity regarding practical and policy issues that support good practice in the provision of housing in Scotland.

#### Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

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# Scotland's Housing Network

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

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#### Achievements and performance

The organisation has achieved its key objectives as set out in the 2015-2018 Business Plan during the financial year. These achievements include:

- The introduction of our Governance Self-Assessment framework allowing social landlords to assess their compliance with Regulatory Standards. Our framework assists our members in carrying out effective, comprehensive and evidence based self-assessment in governance - a requirement of the Scottish Housing Regulator.
  - Our Practice Self-Assessment resources benefitted from a complete review during 2017/18 to ensure they were still fit for purpose and following on from this an extensive promotion plan was adopted to increase take up levels of this hugely useful resource.
  - Our Value for Money (VFM) benchmarking service for cost and performance continued its success in 2017/18 as more and more social landlords are looking beyond performance only results, to evidence VFM to their tenants and service users.
  - Our VFM benchmarking service for New Build Developments continued to gather momentum in 2017/18. With significant resources and emphasis on the social housing new build programme, landlords are now able to examine the impact of their developments on tenant satisfaction and sustainability, as well as being able to benchmark costs and timescales.
  - Continuing on the theme of financial scrutiny, our HRA workshops for local authority members proved popular yet again with us delivering bespoke events for tenants to support them in developing financial scrutiny workplans. This programme clearly benefits tenants understanding of the Housing Revenue Account and how their rent money is expended by their landlord.
  - During 2017/18, Scotland's Housing Network worked colleagues with the Place, Home and Housing Programme of the iHub to deliver much needed practice exchange forums to support the Health and Social Care Integration agenda for practitioners in the health, social care and housing sectors.
  - Our work with the health and social care sector was further advanced when we were commissioned to support a performance benchmarking pilot for telecare services throughout Scotland.
  - Scotland's Housing Network has supported the work of Tayside, Fife and Central Housing Options Hub since 2010 and in 2017/18 we continued to support this hub as well as the work of the North and Islands Hub and the Ayrshire and South Hub. Our role with these Hubs help with the management of their events, assisting with communication networks, coordinating project work streams and providing benchmarking services to support Housing Options in these locations.
  - We continued to support the social rented sector in Scotland through our renowned performance benchmarking services that supports continuous improvement in the sector. Our practice exchange forums went from strength to strength with capacity attendances proving that we ensure these events continue to meet members' needs and are responsive to emerging issues. We augmented our range of forums with the introduction to a Sheltered Housing forum and Mid- Market Rent forum - both topical issues in sector.
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# Scotland's Housing Network

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

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#### Financial review

During the period 1st April 2017 to 31st March 2018, public sector and ALACHO (Association of Local Authority Chief Housing Officers) membership subscriptions of £344,689 (2017: £334,468) were received. Private sector membership subscriptions of £123,120 (2017: £85,346) were received. Other income of £54,506 (2017: £54,343) was received for the provision of management and consultancy services.

Costs of charitable activities were £525,705 (2017: £535,871) including governance costs of £5,973 (2017: £3,484). At the balance sheet date, the unrestricted fund balance carried forward was £199,270 (2017: £206,580). At 31st March 2018 the ALACHO division had funds of £8,028 (2017: £2,992).

#### Reserves policy

The unrestricted reserves at 31 March 2018 of £199,270 include a planned drawdown over the next financial year of £30,000 to fund the capital investment that arose in respect of our new members' website and business intelligence tool. The unrestricted reserves will be held as working capital and to cover three months' running costs as recommended by OSCR.

#### Key risks faced by Scotland's Housing Network

The Trustees of Scotland's Housing Network work hard to mitigate risks and review key strategic and operational risks at each board meeting. The main risk surrounds loss of membership and associated income and we work hard to ensure our services and benefits to members are responsive and assist them with emerging issues in housing. In addition, we actively seek out other funding streams to support our costs and thus allowing us to maintain membership fees at very competitive levels. As a small team our risks surrounding workforce planning are inherent, principally as most of the posts are specialised and niche in nature.

#### Plans for future periods

SHN will build on the initial work undertaken during 2017/18 and in prior years and will introduce a new business plan to cover the period 2018-2021. The strategic direction for the next three years will be about strengthening the organisation while always being responsive to members' needs. Our strategic objectives will be to:

- Ensure we deliver value;
- Understand and anticipate our members' needs;
- Invest in our own development;
- Operate within our means

# Scotland's Housing Network

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

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#### Plans for future periods *(continued)*

We plan to achieve a number of priorities over the next business plan period to meet these objectives. These priorities will focus on membership retention as well as growth and increasing levels of satisfaction and engagement with our services. Where we can we will tailor our services to meet members' needs and will be responsive to supporting the sector following on from the new regulatory framework that will be published by the Scottish Housing Regulator during 2019. We will continue to invest in our board members and staff ensuring the highest levels of governance and professional standards are maintained. We will continue to make the best use of technology to make our services more accessible. We will operate within our means with no requirement to call on reserves during the new business plan period and will keep membership fee increases at or below prevailing inflation rates recognising the financial constraints our members operate within.

#### Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Scotland's Housing Network

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

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#### **Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report (incorporating the directors' report) and the strategic report were approved on 4 October 2018 and signed on behalf of the board of trustees by:

J Wolstencroft  
Chairperson

# Scotland's Housing Network

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Scotland's Housing Network

Year ended 31 March 2018

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#### Opinion

We have audited the financial statements of Scotland's Housing Network (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, 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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Scotland's Housing Network

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Scotland's Housing Network *(continued)*

Year ended 31 March 2018

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#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

# Scotland's Housing Network

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Scotland's Housing Network *(continued)*

Year ended 31 March 2018

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Scotland's Housing Network

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Scotland's Housing Network *(continued)*

Year ended 31 March 2018

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Neil Paterson B.A., C.A. (Senior Statutory Auditor)

For and on behalf of  
Paterson Boyd & Co Limited  
Chartered Accountants & Statutory Auditor  
18 North Street  
Glenrothes  
Fife  
KY7 5NA

Paterson Boyd & Co Limited is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

4 October 2018

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**Scotland's Housing Network**  
**Company Limited by Guarantee**  
**Statement of Financial Activities**  
**(including income and expenditure account)**

**Year ended 31 March 2018**

		Unrestricted funds	2018 Restricted funds	Total funds	2017 Total funds
	Note	£	£	£	£
<b>Income and endowments</b>					
Donations and legacies	5	–	–	–	25,000
Charitable activities	6	450,315	72,000	<b>522,315</b>	474,157
Investment income	7	1,116	–	<b>1,116</b>	1,036
<b>Total income</b>		<u>451,431</u>	<u>72,000</u>	<u><b>523,431</b></u>	<u>500,193</u>
<b>Expenditure</b>					
Expenditure on charitable activities	8,9	458,741	66,964	<b>525,705</b>	535,871
<b>Total expenditure</b>		<u>458,741</u>	<u>66,964</u>	<u><b>525,705</b></u>	<u>535,871</u>
<b>Net expenditure and net movement in funds</b>					
		<u>(7,310)</u>	<u>5,036</u>	<u><b>(2,274)</b></u>	<u>(35,678)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>206,580</u>	<u>2,992</u>	<u><b>209,572</b></u>	<u>245,250</u>
<b>Total funds carried forward</b>		<u>199,270</u>	<u>8,028</u>	<u><b>207,298</b></u>	<u>209,572</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 15 to 24 form part of these financial statements.

# Scotland's Housing Network

## Company Limited by Guarantee

### Statement of Financial Position

31 March 2018

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	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible fixed assets	15	30,092	59,517
<b>Current assets</b>			
Debtors	16	36,620	52,486
Cash at bank and in hand		199,859	175,932
		<u>236,479</u>	<u>228,418</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>59,273</u>	<u>78,363</u>
<b>Net current assets</b>		<u>177,206</u>	<u>150,055</u>
<b>Total assets less current liabilities</b>		<u>207,298</u>	<u>209,572</u>
<b>Net assets</b>		<u>207,298</u>	<u>209,572</u>
<b>Funds of the charity</b>			
Restricted funds		8,028	2,992
Unrestricted funds		199,270	206,580
<b>Total charity funds</b>	20	<u>207,298</u>	<u>209,572</u>

These financial statements were approved by the board of trustees and authorised for issue on 4 October 2018, and are signed on behalf of the board by:

J Wolstencroft  
Chairperson

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The notes on pages 15 to 24 form part of these financial statements.

# Scotland's Housing Network

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 March 2018

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	<b>2018</b>	2017
	£	£
<b>Cash flows from operating activities</b>		
Net expenditure	<b>(2,274)</b>	(35,678)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	<b>30,425</b>	30,461
Other interest receivable and similar income	<b>(1,116)</b>	(1,036)
Accrued (income)/expenses	<b>(23,454)</b>	55,218
<i>Changes in:</i>		
Trade and other debtors	<b>15,866</b>	(20,971)
Trade and other creditors	<b>4,364</b>	6,791
Cash generated from operations	<b>23,811</b>	34,785
Interest received	<b>1,116</b>	1,036
Net cash from operating activities	<b>24,927</b>	35,821
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	<b>(1,000)</b>	(41,613)
Net cash used in investing activities	<b>(1,000)</b>	(41,613)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>23,927</b>	(5,792)
<b>Cash and cash equivalents at beginning of year</b>	<b>175,932</b>	181,724
<b>Cash and cash equivalents at end of year</b>	<b>199,859</b>	175,932

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The notes on pages 15 to 24 form part of these financial statements.

# Scotland's Housing Network

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 March 2018

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#### 1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is Verity House, 19 Haymarket Yards, Edinburgh, EH12 5BH.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### Going concern

There are no material uncertainties about the charity's ability to continue.

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes. Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

# Scotland's Housing Network

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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#### 3. Accounting policies *(continued)*

##### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

# Scotland's Housing Network

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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#### 3. Accounting policies *(continued)*

##### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

# Scotland's Housing Network

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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#### 3. Accounting policies *(continued)*

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Computer equipment & software - Straight line over 3 years

##### Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

#### 4. Limited by guarantee

Scotland's Housing Network is a company limited by guarantee and has no share capital. Each member of the charity has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the charity being placed in liquidation. At the balance sheet the charity had 123 members.

#### 5. Donations and legacies

	Restricted Funds £	Total Funds 2018 £	Restricted Funds £	Total Funds 2017 £
<b>Grants</b>				
Scottish Government grant for Welfare Reform	–	–	25,000	25,000

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# Scotland's Housing Network

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Public sector subscriptions	272,689	–	<b>272,689</b>
Private sector memberships	123,120	–	<b>123,120</b>
Management and consultancy services	54,506	–	<b>54,506</b>
ALACHO memberships	–	72,000	<b>72,000</b>
	<u>450,315</u>	<u>72,000</u>	<u><b>522,315</b></u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Public sector subscriptions	265,668	–	265,668
Private sector memberships	85,346	–	85,346
Management and consultancy services	54,343	–	54,343
ALACHO memberships	–	68,800	68,800
	<u>405,357</u>	<u>68,800</u>	<u>474,157</u>

#### 7. Investment income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Bank interest receivable	<u>1,116</u>	<u><b>1,116</b></u>	<u>1,036</u>	<u>1,036</u>

# Scotland's Housing Network

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

#### 8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Services to members	62,414	–	<b>62,414</b>
Support costs	396,327	66,964	<b>463,291</b>
	<u>458,741</u>	<u>66,964</u>	<u><b>525,705</b></u>

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Services to members	52,149	25,000	77,149
Support costs	395,409	63,313	458,722
	<u>447,558</u>	<u>88,313</u>	<u>535,871</u>

#### 9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Services to members	62,414	391,354	<b>453,768</b>	470,074
ALACHO	–	65,964	<b>65,964</b>	62,313
Governance costs	–	5,973	<b>5,973</b>	3,484
	<u>62,414</u>	<u>463,291</u>	<u><b>525,705</b></u>	<u>535,871</u>

#### 10. Analysis of support costs

	Services to members £	ALACHO £	Total 2018 £	Total 2017 £
Staff costs	273,997	56,437	<b>330,434</b>	319,728
Premises	61,875	–	<b>61,875</b>	65,457
Communications and IT	1,564	–	<b>1,564</b>	1,938
General office	23,493	9,527	<b>33,020</b>	37,654
Governance costs	4,973	1,000	<b>5,973</b>	3,484
Depreciation	30,092	–	<b>30,092</b>	30,461
	<u>395,994</u>	<u>66,964</u>	<u><b>462,958</b></u>	<u>458,722</u>

# Scotland's Housing Network

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

#### 11. Net expenditure

Net expenditure is stated after charging/(crediting):

	<b>2018</b>	2017
	£	£
Depreciation of tangible fixed assets	<b>30,425</b>	30,461

#### 12. Auditor's remuneration

	<b>2018</b>	2017
	£	£
Fees payable for the audit of the financial statements	<b>2,000</b>	2,000

#### 13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	<b>2018</b>	2017
	£	£
Wages and salaries	<b>287,980</b>	275,518
Social security costs	<b>26,551</b>	25,142
Employer contributions to pension plans	<b>14,126</b>	17,604
Other employee benefits	<b>1,777</b>	1,464
	<b>330,434</b>	319,728

The average head count of employees during the year was 9 (2017: 9). The average number of full-time equivalent employees during the year is analysed as follows:

	<b>2018</b>	2017
	No.	No.
Administrative staff	<b>7</b>	7

The number of employees whose remuneration for the year fell within the following bands, were:

	<b>2018</b>	2017
	No.	No.
£60,000 to £69,999	<b>1</b>	-

#### Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £114,299 (2017:£105,330).

# Scotland's Housing Network

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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#### 14. Trustee remuneration and expenses

No expenses or remuneration were paid to members of the board of directors during the current or prior years.

#### 15. Tangible fixed assets

	Computer equipment & software £
<b>Cost</b>	
At 1 April 2017	98,989
Additions	1,000
<b>At 31 March 2018</b>	<u>99,989</u>
<b>Depreciation</b>	
At 1 April 2017	39,472
Charge for the year	30,425
<b>At 31 March 2018</b>	<u>69,897</u>
<b>Carrying amount</b>	
<b>At 31 March 2018</b>	<u>30,092</u>
At 31 March 2017	<u>59,517</u>

#### 16. Debtors

	2018	2017
	£	£
Trade debtors	27,526	43,110
Prepayments and accrued income	9,094	8,168
Other debtors	–	1,208
	<u>36,620</u>	<u>52,486</u>

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# Scotland's Housing Network

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

#### 17. Creditors: amounts falling due within one year

	<b>2018</b>	2017
	£	£
Trade creditors	<b>12,016</b>	8,415
Accruals and deferred income	<b>35,042</b>	58,494
Social security and other taxes	<b>9,953</b>	9,433
Other creditors	<b>2,262</b>	2,021
	<u><b>59,273</b></u>	<u>78,363</u>

#### 18. Deferred income

	<b>2018</b>	2017
	£	£
At 1 April 2017	<b>22,261</b>	–
Amount released to income	<b>(22,261)</b>	–
Amount deferred in year	<b>30,118</b>	22,261
<b>At 31 March 2018</b>	<u><b>30,118</b></u>	<u>22,261</u>

#### 19. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £14,126 (2017: £17,604).

#### 20. Analysis of charitable funds

##### Unrestricted funds

	At 1 April 2017	Income	Expenditure	At 31 March 2018
	£	£	£	£
General funds	<u>206,580</u>	<u>451,431</u>	<u>(458,741)</u>	<u>199,270</u>

##### Restricted funds

	At 1 April 2017	Income	Expenditure	At 31 March 2018
	£	£	£	£
ALACHO	<u>2,992</u>	<u>72,000</u>	<u>(66,964)</u>	<u>8,028</u>

# Scotland's Housing Network

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

#### 21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2018 £</b>	Total Funds 2017 £
Tangible fixed assets	30,092	–	<b>30,092</b>	59,517
Current assets	228,451	8,028	<b>236,479</b>	228,418
Creditors less than 1 year	(59,273)	–	<b>(59,273)</b>	(78,363)
<b>Net assets</b>	<u>199,270</u>	<u>8,028</u>	<u><b>207,298</b></u>	<u>209,572</u>

#### 22. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	<b>2018 £</b>	2017 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<u><b>236,479</b></u>	<u>228,418</u>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u><b>59,273</b></u>	<u>78,363</u>

#### 23. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2018 £</b>	2017 £
Not later than 1 year	<b>30,000</b>	30,000
Later than 1 year and not later than 5 years	–	30,000
	<u><b>30,000</b></u>	<u>60,000</u>









<b>50,583</b>	46,086
<b>5,854</b>	4,939
<b>2,360</b>	2,686
<b>7,167</b>	8,602
<b><u>65,964</u></b>	<b><u>62,313</u></b>
<b>2,000</b>	2,000
<b>1,850</b>	–
<b>2,123</b>	1,484
<b><u>5,973</u></b>	<b><u>3,484</u></b>
<b><u><u>525,705</u></u></b>	<b><u><u>535,871</u></u></b>