
STATUTORY INSTRUMENTS

1992 No. 512

HOUSING, ENGLAND AND WALES

**The Registered Housing Associations
(Accounting Requirements) Order 1992**

<i>Made</i>	- - - -	<i>6th March 1992</i>
<i>Laid before Parliament</i>		<i>11th March 1992</i>
<i>Coming into force</i>	- -	<i>1st April 1992</i>

The Secretary of State for the Environment as respects England, in exercise of the powers conferred upon him by section 24(1), (2), (5) and (6) of the Housing Associations Act 1985⁽¹⁾, section 55(2) of the Housing Act 1988⁽²⁾ and of all other powers enabling him in that behalf, hereby makes the following Order:

**PART I
GENERAL**

Citation, commencement and revocation

1.—(1) This Order may be cited as the Registered Housing Associations (Accounting Requirements) Order 1992 and shall come into force on 1st April 1992.

(2) Subject to article 3, the Registered Housing Associations (Accounting Requirements) Order 1988⁽³⁾ and the Registered Housing Associations (Accounting Requirements) (Amendment) Order 1989⁽⁴⁾ are hereby revoked in so far as they apply to England.

Interpretation

2. In this Order, unless the context otherwise requires—

“the 1965 Act” means the Industrial and Provident Societies Act 1965⁽⁵⁾;

“1965 Act society” means an association which is registered under the 1965 Act;

(1) 1985 c. 69; section 24 was amended by the Housing Act 1988 (c. 50), Schedule 6, paragraph 17.
(2) 1988 c. 50.
(3) S.I.1988/395.
(4) S.I. 1989/327.
(5) 1965 c. 12.

“the 1968 Act” means the Friendly and Industrial and Provident Societies Act 1968(6);

“the 1985 Act” means the Housing Associations Act 1985;

“accounts” mean the balance sheet, the income and expenditure account and the notes to the accounts;

“association” means a housing association which is registered in the register maintained by the Housing Corporation under the 1985 Act;

“balance sheet” means the balance sheet required for the purposes of section 39(1) of the 1965 Act(7) or paragraph 2(1) of Schedule 3 to the 1985 Act;

“balance sheet date” means the date as at which the balance sheet was made up;

“chief executive” means the person who has overall responsibility for the running of the day to day affairs of the association;

“company” means a company registered under Part I of the Companies Act 1985(8) and includes a company to which that Part applies by virtue of section 675 of that Act;

“director” includes the chief executive, the person occupying the position of a director by whatever name called and any member of the association;

“group” has the same meaning as in section 262(1) of the Companies Act 1985(9);

“housing accommodation” has the same meaning as in section 252(a) of the Housing Act 1985(10);

“housing land” means land held by an association for the purposes of providing housing accommodation (including accommodation to be provided by disposal on sale or on lease);

“income and expenditure account” means the revenue account required for the purposes of section 3(2) of the 1968 Act or paragraph 2(1)(a) of Schedule 3 to the 1985 Act;

“managing body” means—

- (a) in relation to a 1965 Act society, the committee of management or other directing body of the society;
- (b) in relation to a company the board of directors of the company;
- (c) in relation to a charity which is not a company, the trustees of the charity;

“notes to the accounts” means notes to the balance sheet or the income and expenditure account;

“period of account” means the period to which the income and expenditure account relates;

“person connected with a director of an association” means a person who would be so connected within the meaning of section 346 of the Companies Act 1985 if the association were a company;

“special needs accommodation” means accommodation which is provided for persons who are vulnerable by virtue of social disadvantage, disability or other special reason, or a hostel;

“undertaking” has the same meaning as in section 259(1) of the Companies Act 1985(11); and

“unit of accommodation” means, in the case of special needs accommodation, accommodation which is provided for one individual and, in any other case, a dwelling.

(6) 1968 c. 55.

(7) Section 39(1) was amended by section 11(1) of the 1968 Act.

(8) 1985 c. 6.

(9) Section 262 was inserted by the Companies Act 1989 (c. 40), section 22.

(10) 1985 c. 68.

(11) 1985 c. 6; section 259 was inserted by the Companies Act 1989 (c. 40), section 22.

Application

3.—(1) Subject to paragraph (2), this Order applies to the accounts of every association in respect of a period of account commencing on or after 1st April 1992; and in respect of any period of account commencing before that date, the Orders revoked by this Order shall apply as if those Orders had not been revoked.

(2) In respect of a period of account commencing on or after 1st April 1992 and ending before 31st March 1994, the accounts of an association shall comply with the provisions of this Order or, if the association so chooses, with the provisions of the Orders revoked by this Order and in the latter case those Orders shall apply as if they had not been revoked.

Information in specified form

4. Any requirement in this Order to prepare information in a specified form shall be satisfied if it is prepared in a form substantially to the same effect.

PART II

GENERAL ACCOUNTING REQUIREMENTS

5.—(1) Every association shall produce accounts for the purposes of this Order at the end of each period of account.

(2) Where the accounts of an association are prepared other than on the basis that the association is a going concern, a statement to that effect shall be included in the accounts.

6.—(1) Accounting policies used by an association shall be applied consistently within the same accounts from one period of account to another and the accounting policies adopted by the association in determining the amounts to be included in respect of items shown in the balance sheet or in the income and expenditure account shall be stated (including such policies with respect to the depreciation and diminution in the value of assets).

(2) In this article—

“accounting policies” means the specific accounting bases selected and consistently followed by an association which are, in the opinion of the directors of the association, appropriate to its circumstances and best suited to present fairly its results and financial position; and

“consistently” means consistency of accounting treatment of the items with each accounting period and from one accounting period to the next.

7.—(1) The amount of any item shown shall be determined on a prudent basis, and in particular—

(a) only surpluses realised at the balance sheet date shall be included in the income and expenditure account; and

(b) all liabilities and deficits which have arisen or are likely to arise in respect of the period of account to which the accounts relate shall be taken into account, including those which only become apparent between the balance sheet date and the date on which it is signed on behalf of the managing body.

(2) In paragraph (1), “prudent” means not anticipating revenue and surplus, but recognising them only when realised in the form of cash (or of other assets of which the ultimate cash realisation can be assessed with reasonable certainty) and making provision for all known expenses and deficits whether the amount of these is known with certainty or is a best estimate in the light of the information available.

8.—(1) Where it is necessary to depart from the requirements of this Order so as to give a true and fair view of the state of affairs of an association and of its income and expenditure account in accordance with the duties imposed by section 3(1) and (4) of the 1968 Act, paragraph 2 of Schedule 3 to the 1985 Act or section 226(2) of the Companies Act 1985**(12)**—

- (a) nothing in this Order shall prevent such a departure; but
- (b) the fact of any such departure, the reasons for it and its effect shall be recorded in the notes to the accounts of the association.

(2) Nothing in this Order shall prevent the accounts of an association from giving more information than is required by this Order.

9. All income and charges relating to the period of account shall be taken into account without regard to the date of receipt or payment.

10. In determining the aggregate amount of any item to be included in the accounts, the amount of each individual asset or liability that falls to be taken into account shall be determined separately.

11. Where the accounts are to be circulated by the association to persons who are not members of the association a copy of the auditor's report on those accounts shall be circulated at the same time.

12.—(1) The accounts shall—

- (a) show the date on which they have been approved by the managing body of the association and give the date of approval; and
- (b) be signed by at least one member of that body on its behalf and at least one additional person who is an officer of the association.

(2) That date and those signatures shall appear on the balance sheet of the association.

PART III

BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT

Balance sheet

13.—(1) Subject to article 15, the balance sheet of every association shall—

- (a) include headings and sub-headings corresponding to the items listed in Format 1 of Part I of Schedule 4 to the Companies Act 1985**(13)**;
- (b) show the amount of the items listed under those headings; and
- (c) items A to G in Format 1 shall be presented so as to show the total of those items separately from items H to K.

Income and expenditure account

14. Subject to article 15, the income and expenditure account of every association shall—

- (a) include headings and sub-headings corresponding to the items listed in Format 1 of Part I of Schedule 4 to the Companies Act 1985 where the items are listed by reference to the activities of the association or, in any other case, Format 2 of that Part;
- (b) show the amount of the items listed under those headings;

(12) 1985 c. 6; section 226 was inserted by the Companies Act 1989 (c. 40), section 4(1).

(13) Schedule 4 paragraph 8 (Formats) was amended by the Companies Act 1989 (c. 40), Schedule 1, paragraphs 1 to 4.

- (c) show the amount of the surplus or deficit of the association in respect of the ordinary activities of the association before taxation; and
- (d) show separately as additional items any amount set aside or proposed to be set aside to or withdrawn from reserves.

Balance sheet and income and expenditure account

15. Articles 13 and 14 are not to be read as requiring the heading or sub-heading for any item to be distinguished by any letter or number assigned to that item in the format used.

16.—(1) Subject to paragraph (2), in respect of every item shown in the balance sheet or the income and expenditure account, the corresponding amount for the previous period of account to that to which the balance sheet or the income and expenditure account relates shall be shown.

(2) An item listed in the format adopted in preparing the balance sheet or income and expenditure account shall not be included if there is no amount to be shown for that item in respect of the period of account and in respect of the previous period of account.

(3) Items to which Arabic numbers are assigned in the format adopted may be combined in an association's accounts for a period of account if—

- (a) their individual amounts are not material to assess the state of affairs or surplus or deficit of the association; or
- (b) the combination facilitates that assessment, but in this case the individual items so combined shall be shown in the notes to the accounts.

(4) In preparing an association's balance sheet or income and expenditure account the headings and sub-headings otherwise required under articles 13 and 14 in respect of items to which an Arabic number is assigned may be adapted where the special nature of the association's business requires such adaptation.

PART IV

NOTES TO ACCOUNTS

Information to be included

17. Every association shall include in the notes to its accounts the information shown in Part I of the Schedule to this Order in the manner shown and the information specified in Part II of that Schedule.

Associations which are part of a group

18. Where at the end of a period of account an association is part of a group, it shall include in its notes to the accounts the information specified in Part III of the Schedule to this Order.

PART V

MISCELLANEOUS

Distinguishing housing activities

19. Where an association undertakes any activities which are not housing activities, the association shall distinguish in its accounts its housing activities from its other activities by—

- (a) distinguishing housing land from other fixed assets;
- (b) identifying any other items which relate solely to housing activities; and
- (c) apportioning income and expenditure between those items which relate to housing activities and those relating to other activities.

The rent surplus fund

20.—(1) The rent surplus fund of an association required to maintain such a fund shall be constituted and shown in the accounts according to the method set out in this article, and in this article, “fund” means rent surplus fund.

(2) The surpluses calculated in the manner determined under section 55(3) of the 1988 Act shall be shown in the notes to the accounts.

(3) The sums shown under sub-paragraph (2) of this article shall be transferred to that fund.

(4) Where sums are in the fund in respect of previous accounting periods, they shall be accumulated with any sums transferred to the fund in respect of the period of account.

6th March 1992

Michael Heseltine
Secretary of State for the Environment

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SCHEDULE

Articles 17 and 18

NOTES TO ACCOUNTS

PART I

INFORMATION TO BE PROVIDED IN MANNER SHOWN

Note A

Particulars of turnover, operating surplus and surplus before taxation by class of business

	<i>Turnover</i>	<i>Operating Costs</i>	<i>Costs of Sales</i>	<i>Operating surplus</i>	<i>Interest receivable</i>	<i>Interest payable</i>	<i>Surplus/Deficit before taxation</i>
	£	£	£	£	£	£	£
Income and Expenditure from Lettings							
Housing Accommodation							
Special Needs Accommodation							
Shared Ownership Accommodation (Note 1)							
Other Income and Expenditure							
Development administration (Note 2)							
Architects' and surveyors' services (Note 3)							
Managed associations (Note 4)							
Sales of housing accommodation (Note 5)							
Development for sale (Note 6)							
Other							
Total							
Investment income							
Interest payable not allocated to property revenue and income and expenditure accounts							
Total surplus before taxation for the period of account							

(Note 1) Shared ownership accommodation means accommodation on which the association has granted a shared ownership lease as defined in section 622 of the Housing Act 1985.

(Note 2) Development administration means the income and expenditure relating to the administration costs of acquiring and developing housing and special needs accommodation which has been dealt with in the income and expenditure account.

(Note 3) Architects' and surveyors' services means fees payable to the association and expenditure incurred by the association in respect of services of architects and surveyors employed by the association.

(Note 4) Managed associations means income and expenditure relating to associations whose affairs are managed by the association to which the income and expenditure account relates in consideration of a fee.

(Note 5) Sales of housing accommodation includes leases granted in consideration of a premium.

(Note 6) Development for sale means houses falling within section 4(3)(c) and (d) of the 1985 Act.

Note B

Particulars of Lettings

	£
Rents and service charges	
Less: Rent losses from debts and voids	
Grants from local authorities and other agencies	
Hostel deficit grants from the Housing Corporation	
Revenue deficit grants from the Housing Corporation	
Supplementary management grants from the Housing Corporation	
Special needs management allowances from the Housing Corporation	

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Note C
Service income, housing corporation allowances and operating costs

	Service income	Housing Corporation allowances	Operating Costs	Surplus (deficit)
	£	£	£	£
Housing Accommodation (units) (Note 1)				
Services				
Management				
Day to day repairs and maintenance				
Cyclical repairs and maintenance (Note 2)				
Special Needs Accommodation (units) (Note 1)				
Services				
Management				
Day to day repairs and maintenance				
Cyclical repairs and maintenance				
Other operating costs:				
Rent surplus fund				
Depreciation of housing properties				
Provision of major repairs				
Housing Accommodation				
Special Needs Accommodation				

(Note 1) Insert number of units of accommodation.

(Note 2) Cyclical repairs and maintenance means works of repair or maintenance undertaken at intervals in accordance with a programme of works.

Note D

Where the association has not dealt with the income and expenditure on development administration in the income and expenditure account:

£

Amount included in housing association grant for development administration and other direct costs during the period of account:

Development administration expenditure and other indirect costs capitalised during the period of account.

PART II

OTHER INFORMATION TO BE SHOWN

Establishment of association

1. A statement of the legislative provisions under which the association is established.

Accounting standards

2.—(1) Whether the accounts have been prepared in accordance with applicable accounting standards and statements of recommended practice, particulars of any material departure from those standards or that practice and the reasons for any such departure.

(2) In sub-paragraph (1), “accounting standards” and “applicable” in relation to accounting standards have the same meaning as in section 256 of the Companies Act 1985(14).

(14) 1985 c. 6; inserted by section 19 of the Companies Act 1989 (c. 40).

Directors' interests etc.

3.—(1) Particulars of any transaction entered into by the association in which a director of the association or person connected with the director has declared an interest.

(2) In sub-paragraph (1) “transaction” includes any agreement, contract or loan made to a director or person connected with the director which is repaid by the association.

Directors' emoluments

4.—(1) The aggregate amount of emoluments paid to or receivable by the directors of the association during the period of account or, where no such emoluments are so paid or receivable, a statement to that effect.

(2) The emoluments paid to or receivable by the highest paid director during the period of account, excluding pension contributions.

(3) The number of directors to whom emoluments (excluding pension contributions) were paid or receivable during the period of account and whose emoluments fall within each of the following bands—

- not more than £5,000,
- more than £5,000 but not more than £10,000,
- more than £10,000 but not more than £15,000,
- more than £15,000,
- and so on.

(4) In this paragraph “emoluments” means emoluments in respect of a director’s services as a director of the association or his services (while a director of the association) in connection with the management of its affairs or the affairs of any subsidiary undertaking of the association; and includes—

- (a) fees and percentages;
 - (b) sums paid by way of expenses allowance (so far as chargeable to United Kingdom tax);
 - (c) contributions paid in respect of pensions except where otherwise stated; and
 - (d) the estimated money value of any other benefits otherwise than in cash.
- (5) The total expenses reimbursed in so far as not chargeable to United Kingdom income tax.

5.—(1) The aggregate amount of any compensation paid to directors or past directors during the period of account in respect of loss of office (whether by retirement or otherwise) and the notes shall distinguish between compensation in respect of the office of director, whether of the association or any subsidiary and compensation in respect of other offices.

(2) In sub-paragraph (1), “compensation” means compensation received or receivable for—

- (a) loss of office as director of the association, or
- (b) loss, while director of the association or in connection with his ceasing to be a director of it, of—
 - (i) any other office in connection with the management of the association’s affairs, or
 - (ii) any office as director or otherwise in connection with the management of the affairs of any subsidiary undertaking of the association;

and includes benefits otherwise than in cash and, in relation to such compensation, references to its amount are to the estimated money value of the benefit.

6.—(1) The aggregate amount of directors' or past directors' pensions.

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(2) This amount does not include any pension paid or receivable under a pension scheme if the scheme is such that the contributions under it are substantially adequate for maintenance of the scheme; but, subject to this, it includes any pension paid or receivable in respect of any such services of a director or past director as are mentioned in paragraph 4(4) of this Part whether to him or by him or, on his nomination or by virtue of dependence on or other connection with him, to or by any other person.

(3) The amount shown shall distinguish between pensions in respect of services as director, whether of the association or any of its subsidiary undertakings, and other pension.

(4) In this paragraph, references to pensions include benefits otherwise than in cash, and in relation to so much of a pension as consists of such a benefit references to its amount are to the estimated money value of the benefit; and the nature of any such benefit shall also be disclosed.

Consideration for directors' services

7.—(1) The aggregate amount of any consideration paid to or receivable by third parties for making available the services of any person as a director of the association, or (while a director of the association) in connection with the management of the affairs of the association or the affairs of any subsidiary undertaking of the association.

(2) Where the consideration includes benefit otherwise than in cash, the reference to its amount in sub-paragraph (1) is a reference to the estimated value of the benefit; and the nature of such consideration shall be shown.

(3) In sub-paragraph (1), “third parties” means persons other than the director or a person connected with him or a body corporate controlled (within the meaning of section 346 of the Companies Act 1985) by him and the association or any of its subsidiary undertakings.

Employees

8. The average number of employees of the association including part-time employees, as ascertained from the average number of persons employed in each week of the period of account but excluding any employees who are members of the managing body of the association;

9.—(1) In relation to employees and the members of the managing body of the association the aggregate amount of any—

- (a) wages and salaries payable during the period of account;
- (b) other social security costs incurred by the association; and
- (c) any other pension costs so incurred.

(2) In sub-paragraph (1)—

“pension costs” includes any other contributions by the association for the purpose of providing pensions for persons employed by the association, any sums set aside for that purpose and any amounts paid by the association in respect of pensions without first being set aside; and

“social security costs” means any contributions by the association to any state social security or pension scheme, fund or arrangement.

Auditors

10.—(1) The amount of the remuneration of the association’s auditors in their capacity as such.

(2) The amount of any remuneration received or receivable by the association’s auditors or their associates in respect of services other than those of auditors in their capacity as such.

(3) This paragraph applies in relation to benefits in kind as to payments in cash, and in relation to any such benefit references to its amount are to its estimated money value; and the nature of such benefits shall be shown.

(4) In this paragraph—

“associate” has the same meaning as in section 390B of the Companies Act 1985⁽¹⁵⁾; and
“remuneration” includes sums paid in respect of expenses.

Fixed assets

- (a) **11.** (1) (a) The amount of fixed assets at the beginning of the period of account and at the balance sheet date; and
- (b) the effect on any amount shown in the balance sheet in respect of that item of—
- (i) any revision of the amount in respect of any assets included under that item made during the period of account;
 - (ii) acquisitions during the period of account of fixed assets;
 - (iii) disposals of fixed assets during that period; and
 - (iv) any transfers of fixed assets of the association to and from that item during the period of account.

(2) In respect of each item under sub-paragraph (1) there shall be stated—

- (a) the cumulative amount of provisions for depreciation or diminution in value of assets included under that item as at the date mentioned in sub-paragraph (1)(a);
- (b) the amount of any such provisions made in respect of the period of account;
- (c) the amount of adjustments made in respect of any such provisions during the period of account in consequence of the disposal of assets; and
- (d) the amount of any other adjustments made in respect of any such provisions during the period of account.

12. Where any fixed assets of an association (other than listed investments) are included under any item shown in the association’s balance sheet on the basis of a valuation obtained by the association the following information shall be given—

- (a) the year in which the assets were valued so far as known by the managing body and their values;
- (b) in the case of assets that have been valued during the period of account the bases of the valuation used so far as known; and either the names of the persons who valued them or particulars of their qualifications for so doing.

13.—(1) Where any amount is shown in respect of land including buildings in the association’s balance sheet there shall be stated—

- (a) how much of that amount relates to land of which the freehold is owned by the association and how much relates to land which it holds on a lease; and
- (b) how much of the amount attributable to land held on a leasehold basis relates to land held on a long lease and how much to land held on a short lease.

(2) In sub-paragraph (1), “long lease” and “short lease” have the same meaning as in paragraph 83 of Schedule 4 to the Companies Act 1985.

⁽¹⁵⁾ 1985 c. 6; inserted by section 121 of the Companies Act 1989 (c. 40).

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Investments

14.—(1) Where the amount of investments is shown in an association’s balance sheet for a period of account there shall be stated—

- (a) how much of that amount relates to listed investment; and
- (b) how much of the amount in (a) relates to investments as respects which there has been granted a listing on a recognised investment exchange other than an overseas investment exchange within the meaning of the Financial Services Act 1986⁽¹⁶⁾ and how much to other listed investments.

(2) Where the amount of any listed investment is stated for any item in accordance with subparagraph (a) the following amounts shall also be stated—

- (a) the aggregate market value of those investments where it differs from the amount so stated; and
- (b) both the market value and the stock exchange value of any investments of which the former value is for the purposes of these accounts taken as being higher than the latter.

(3) In this paragraph, “listed investment” means an investment as respects which there has been granted a listing on a recognised investment exchange other than an overseas investment exchange within the meaning of the Financial Services Act 1986 or any stock exchange of repute outside Great Britain.

Reserves

15.—(1) Where the reserves or provisions of an association are shown in the accounts the information mentioned in subparagraph (2) shall be shown if any amount is transferred—

- (a) to or from any reserves; or
- (b) to any provisions for liabilities and charges; or
- (c) from any provision for liabilities and charges otherwise than for the purposes for which the provision was established.

(2) That information is—

- (a) the amount of the reserves or provisions as at the beginning of the period of account and at the balance sheet date;
- (b) any amounts transferred to and from the reserves or provisions during that period;
- (c) the source and application of any amounts so transferred.

(3) Particulars shall be given of each provision included in the item “other provisions” in the association’s balance sheet in any case where the amount of the provision is not material.

Deferred taxation

16. The amount of any provision for deferred taxation shall be stated separately from the amount of any provision for other taxation.

Creditors

17.—(1) In respect of each item shown under “creditors” in the association’s balance sheet there shall be stated—

- (a) the aggregate amount of any debts included under that item which are payable or repayable otherwise than by instalments and fall due for payment or repayment after the end of the

⁽¹⁶⁾ 1986 c. 60.

period of five years beginning with the day next following the end of the period of account; and

- (b) the aggregate amount of any debts so included which are payable or repayable by instalments any of which fall due for payment after the end of that period.

(2) In respect of each item shown under “creditors” in the association’s balance sheet there shall be stated—

- (a) the aggregate amount of any debts included under that item in respect of which any security has been given by the association; and

- (b) an indication of the nature of the securities given.

(3) Subject to sub-paragraph (4) in relation to each debt falling to be taken into account under sub-paragraphs (1) or (2) the terms of payment or repayment and the rate of interest payable on the debt shall be stated.

(4) If it is not practicable to comply with sub-paragraph (3) because to do so would result in a statement of excessive length it shall be sufficient to give a general indication of the terms of payment or repayment and the rates of interest payable on the debts.

(5) In this paragraph references to an item shown under “creditors” in the association’s balance sheet includes references, where amounts falling due to creditors within one year and after more than one year are distinguished in the balance sheet,—

- (a) in a case within sub-paragraph (1), to an item shown under the latter of those categories; and

- (b) in a case within sub-paragraph (2), to an item shown under either of these categories;

and references to items shown under “creditors” include references to items which would but for article 16(3)(b) be shown under that heading.

Rent arrears

18. The aggregate amount of rent arrears.

Charges

19.—(1) Particulars of any charge on the assets of the association to secure the liabilities of any other person, including, where practicable, the amount secured.

(2) The following information shall be given with respect to any other contingent liability not provided for—

- (a) the amount or estimated amount of that liability;
- (b) its legal nature; and
- (c) whether any security has been provided by the association in connection with that liability and if so what.

(3) There shall be stated, where practicable—

- (a) the aggregate amount or estimated amount of contracts for capital expenditure, so far as not provided for; and
- (b) the aggregate amount or estimated amount of capital expenditure authorised by directors which has not been contracted for.

(4) Particulars shall be given of—

- (a) any pension commitments included under any provision shown in the association’s balance sheet; and

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- (b) any such commitments for which no provisions have been made; and
 - (c) any pension commitment relating to past directors of an association.
- (5) Particulars shall also be given of any other financial commitments which—
- (a) have not been provided for; and
 - (b) are relevant to assessing the association's state of affairs in relation to its housing activities.

Debentures

20.—(1) Where an association has issued debentures during the period of account the following information shall be given—

- (a) the reason for making the issue;
- (b) the classes of debentures issued; and
- (c) as respects each class of debentures the amount issued and the consideration received by the association.

(2) Particulars of any redeemed debentures which the association has power to re-issue shall be shown.

Loans

21.—(1) The amount of interest on or any similar charges in respect of—

- (a) bank loans and overdrafts and any other loan which—
 - (i) are repayable otherwise than by instalments and fall due for repayment before the end of the period of five years beginning with the day next following the end of the period of account;
 - (ii) are repayable by instalments the last of which falls due for payment before the end of that period; and
- (b) any other kind of loans made to the association.

(2) The amount of income from listed investments.

(3) The amount of rent from land after deduction of ground rents, rates and other outgoings.

22. The amount set aside for the redemption of loans shall be stated.

Non-housing activities

23. If an association carries on classes of activities other than housing activities there shall be stated in respect of each class of activity—

- (a) the amount of turnover attributable to each class of activity;
- (b) the amount of surplus or deficit of the association before taxation which is attributable to that class of activity.

Special circumstances

24.—(1) Particulars shall be given of any special circumstances which affect liability in respect of taxation of surpluses, income or capital gains for the period of account or liability in respect of these items for succeeding periods of account.

(2) The following amounts shall be stated—

- (a) the amount of the charge for United Kingdom corporation tax; and
- (b) the amount of the charge for United Kingdom income tax.

PART III

SUBSIDIARY UNDERTAKINGS

25. There shall be stated—

- (a) the name of each subsidiary or member of the group and whether it is a registered housing association;
- (b) if it is incorporated outside Great Britain, the country in which it is incorporated;
- (c) if it is incorporated in Great Britain, whether it is registered in England and Wales or Scotland;
- (d) if it is unincorporated, the address of its principal place of business;
- (e) whether the association is required by statute to prepare group accounts;
- (f) details of transactions entered into with any member of the group of which the association is part and any surplus or deficit incurred in the transaction within the group.
- (g) the name of the undertaking which is regarded by the managing body as the ultimate parent undertaking of the association.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order lays down accounting requirements for housing associations registered with the Housing Corporation, with a view to ensuring that their accounts are prepared in the requisite form and give a true and fair view of their state of affairs, so far as their housing activities are concerned.

The Order applies to any period of account starting after 31st March 1992 (article 3(1)), except as provided for in article 3(2). Article 3(2) provides that, for periods of account starting after 31st March 1992 and ending before 31st March 1994, an association must comply either with the provisions of the Order or, if it so chooses, the provisions of the Registered Housing Associations (Accounting Requirements) Order 1988. Otherwise, the Order revokes the 1988 Order and the Registered Housing Associations (Accounting Requirements) (Amendment) Order 1989 in so far as they apply to England (article 1(2)).

Part I of the Order deals with citation, commencement and revocation (article 1), interpretation (article 2) and application (article 3) and the form in which required information may be prepared (article 4). Part II (articles 5 to 12) lays down general accounting requirements. Part III (articles 13 to 16) lays down requirements about the balance sheet and income and expenditure account. Part IV (articles 17 and 18 and the Schedule) lays down requirements about notes to the accounts. Part V gives the method for distinguishing, in the accounts, housing activities from other activities (article 19) and specifies how a rent surplus fund is to be constituted and shown in the accounts (article 20).