
STATUTORY INSTRUMENTS

1999 No. 1073 (S. 84)

HOUSING, SCOTLAND

The Registered Housing Associations (Accounting Requirements) (Scotland) Order 1999

<i>Made</i>	- - - -	<i>26th March 1999</i>
<i>Laid before Parliament</i>		<i>6th April 1999</i>
<i>Coming into force</i>	- -	<i>1st May 1999</i>

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

Citation, commencement and revocation

1.—(1) This Order may be cited as the Registered Housing Associations (Accounting Requirements) (Scotland) Order 1999 and shall come into force on 1st May 1999.

(2) Subject to paragraph (3), the Registered Housing Associations (Accounting Requirements) (Scotland) Order 1993⁽³⁾ is hereby revoked.

(3) Notwithstanding paragraph (2), the Registered Housing Associations (Accounting Requirements) (Scotland) Order 1993 shall continue to apply in respect of any period of account starting before 1st April 1999.

Interpretation

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

“accounting policies” means the specific accounting bases selected and consistently followed by a registered housing association which are, in the opinion of the board of the registered housing association, appropriate to its circumstances and best suited to present a true and fair view of its results and financial position and which conform with generally accepted accounting practice;

(1) 1985 c. 69; section 24 was relevantly amended by the Housing Act 1988 (c. 50), Schedule 6, paragraph 17.
(2) 1988 c. 50.
(3) S.I.1993/487.

“accounts” means the registered housing association’s financial statements which consist of the balance sheet, the income and expenditure account, the notes to the accounts and any other such statements required to conform with generally accepted accounting practice;

“balance sheet” means the balance sheet required for the purpose of section 39(1) of the Industrial and Provident Societies Act 1965(4);

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

“board” means the management committee of the society;

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

“co-ownership society” means an industrial and provident society in the case of which–

- (a) the rules of the society restrict membership to persons who are tenants or prospective tenants of the registered housing association and preclude the granting or assignment of tenancies to persons other than members; and
- (b) each tenant (or his personal representatives) will, under the terms of the tenancy agreement or of the agreement under which he became a member of the society, be entitled, on his ceasing to be a member and subject to any conditions stated in either agreement, to a sum calculated by reference directly or indirectly to the value of his housing accommodation;

“designated reserve” means funds set aside to be used for a particular purpose in the future;

“director” means, unless otherwise stated, a member of the board of the registered housing association;

“disposal proceeds fund” means the sums standing in the disposal proceeds account of a registered housing association, calculated and disclosed in accordance with guidance issued by Scottish Homes.

“group” has the same meaning as in section 262(1) of the Companies Act 1985(5);

“housing accommodation” means dwellings, houses in multiple occupation and hostels;

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

“income and expenditure account” means the revenue account required for the purposes of section 3(2) of the Friendly and Industrial and Provident Societies Act 1968(6);

“industrial and provident society” means a body registered under the Industrial and Provident Societies Act 1965;

“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;

“registered housing association” means a body registered with Scottish Homes under the Housing Associations Act 1985;

“restricted reserve” means funds provided to the registered housing association, the use of which is restricted by general law or by the terms on which the funds were given to the registered housing association or were allowed to be retained by the registered housing association to be used for a specific purpose;

(4) 1965 c. 12; section 39(1) was amended by the Friendly and Industrial and Provident Societies Act 1968 (c. 55), section 11(1) and S.I. 1996/1738.

(5) 1985 c. 6. Section 262 was substituted by the Companies Act 1989 (c. 40), section 22.

(6) 1968 c. 55.

“supported housing” means accommodation owned by a registered housing association and allocated to individuals requiring some form of support in order to live independently in the community, but does not include accommodation the primary purpose of which is to provide care rather than housing, accommodation which aims to fulfil a statutory duty other than under housing legislation and accommodation which is not provided with the aim of providing residents with a permanent home or the life skills and confidence to move into permanent accommodation;

“undertaking” has the same meaning as in section 259(1) of the Companies Act 1985(7); and

“unit of accommodation” means, in the case of supported housing or a hostel, accommodation which is provided for one individual and, in any other case, a dwelling.

Application

3. This Order applies to the accounts of every registered housing association in respect of a period of account starting on or after 1st April 1999.

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.

Materiality

5. Unless stated otherwise, amounts which in a particular context of any provision of this Order are not material may be disregarded.

General accounting requirements

6. The accounts shall comply with the requirements of this Order (as far as applicable) with respect to the form and content of the balance sheet and income and expenditure account and any additional information to be provided by way of notes to the accounts.

7.—(1) The balance sheet shall give a true and fair view of the state of affairs of the registered housing association as at the end of the period of account.

(2) The income and expenditure account shall give a true and fair view of the surplus or deficit incurred by the registered housing association for the period of account.

8. Where the accounts are prepared other than on a going concern basis, a statement to that effect shall be included in those accounts.

9. Accounting policies used by a registered housing association shall be applied consistently within the same accounts and from one period of account to another and the accounting policies adopted by the registered housing 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 policies with respect to the depreciation and diminution in the value of assets).

10. 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

(7) Section 259 was substituted by the Companies Act 1989, section 22.

only become apparent between the balance sheet date and the date on which it is signed on behalf of the board.

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

12. 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.

13. 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 a registered housing association and of its income and expenditure account in accordance with the duties imposed by section 3(1) and (4) of the Friendly and Industrial and Provident Societies Act 1968⁽⁸⁾, then—

- (a) nothing in this Order shall prevent such a departure; but
- (b) particulars of any such departure, the reason for it and its effect shall be given in a note to the accounts.

14. Nothing in this Order shall prevent the accounts giving more information than is required by this Order.

15. If in the course of the period of account a registered housing association has engaged in housing activities in two or more classes of accommodation that, in the opinion of the board, differ substantially from each other, there shall be stated in respect of each class (describing it)—

- (a) the amount of the turnover attributable to that class; and
- (b) the amount of the surplus or deficit before taxation which is in the opinion of the board attributable to that class.

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

17. The balance sheet shall—

- (a) show the date on which the accounts have been approved by the board;
- (b) be signed on behalf of the board by at least two members of the board and the secretary.

Balance sheet and income and expenditure account

18. Subject to article 20, the balance sheet of every registered housing 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;
- (b) show the amount of the items listed under those headings.

19. Subject to article 20, the income and expenditure account of every registered housing association shall—

- (a) include headings and sub-headings corresponding to the items listed—
 - (i) 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 registered housing associations; or
 - (ii) in any other case, in Format 2 of that Part;
- (b) show the amount of the items listed under those headings;
- (c) show the amount of the surplus or deficit of the registered housing association in respect of the ordinary activities of the registered housing association before taxation; and

⁽⁸⁾ Section 3(4) was amended by the Friendly Societies Act 1974 (c. 46), Schedule 11.

- (d) show separately as additional items any amount set aside or proposed to be set aside to or withdrawn from reserves.

20. Articles 18 and 19 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.

21. The corresponding amount, if any, for the previous period of account shall be shown against each item in the balance sheet or the income and expenditure account.

22. Items listed in the Format adopted in preparing the balance sheet or the income and expenditure account shall not be included if there was no amount to be shown in respect of both the previous period of account and the period of account.

23. Items to which Arabic numbers are assigned in the Format adopted may be combined in the registered housing 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 registered housing 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.

24. In preparing the registered housing association's balance sheet or income and expenditure account, the headings and sub-headings otherwise required under articles 18 and 19 in respect of items to which an Arabic number is assigned may be adapted where the special nature of the registered housing association's business requires such adaptation.

Notes to the accounts

25. Every registered housing association shall include in the notes to its accounts the information shown in Part 1 and Part 2 of the Schedule to this Order in the manner shown.

26. Where at the end of a period of account the registered housing association is part of a group, it shall include in the notes to its accounts the information specified in Part 3 of the Schedule to this Order.

Distinguishing housing activities

27. Where a registered housing association undertakes any activities which are not housing activities, it shall in its accounts distinguish its housing activities from its other activities by—

- (a) distinguishing housing land from other fixed assets;
- (b) identifying any other assets and liabilities 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

28.—(1) The rent surplus fund of a registered housing association required to maintain such a fund shall be constituted and shown in the accounts according to the method set out in article 29.

(2) Article 5 does not apply to articles 29 and 30.

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

(2) These surpluses shall be transferred to the rent surplus fund.

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

30. Where a proportion of the rent surplus fund is retained for re-investment, then this amount shall be shown in a restricted reserve.

The disposal proceeds fund

31.—(1) The disposal proceeds fund of a registered housing association required to maintain such a fund shall be constituted and shown in the accounts according to the method set out in article 32.

(2) Article 5 does not apply to article 32.

32.—(1) The net disposal proceeds calculated in the manner determined under Scottish Homes' guidance shall be shown in a note to the accounts and included in long term creditors within the accounts.

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

St Andrew's House,
Edinburgh
26th March 1999

Calum MacDonald
Parliamentary Under Secretary of State, Scottish
Office

SCHEDULE

Articles 25 and 26

ACCOUNTING REQUIREMENTS

PART 1

INFORMATION TO BE PROVIDED IN THE MANNER SHOWN
NOTE 1 – PARTICULARS OF
TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

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	<i>Turnover</i>	<i>Cost of</i>	<i>Operating</i>	<i>Operating</i>
	<i>£</i>	<i>Sales</i>	<i>Costs</i>	<i>Surplus</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Income and Expenditure from Lettings				
Other Income and Expenditure Development Services(a) Management Services(b) Development for sale(c)				
Other(d)				
Total				

- (a) Development services means fees payable to the registered housing association and expenditure incurred by the registered housing association in respect of development services to other associations or other organisations, including activities such as HAG, development consortia and services using architects and surveyors employed by the registered housing association.
- (b) Management services means income and expenditure relating to accommodation managed but not owned or leased by the registered housing association in consideration of a fee and not rental income.
- (c) Development for sale means houses falling within section 4(3)(c) and (d) of the Housing Associations Act 1985.
- (d) Where individual items are material these should be disclosed separately.

NOTE 2 – PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS

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£

Income from lettings

Rent receivable net of identifiable services charges.
Service charges receivable.*

Gross rents receivable

LESS: Rent losses from voids

Net rents receivable

Revenue grants from local authorities and other agencies

Revenue grants from Scottish Homes

Revenue grants received for major repairs

Total income from lettings

Expenditure on letting activities

Services

Management

Routine maintenance

Rent losses from bad debts

Major repairs expenditure

Other costs

Total expenditure on lettings

Operating Surplus or (Deficit) on letting activities

Note: More or less columns may be required dependent on article 15 of the Order, for example, additional columns covering housing accommodation, supported housing, shared ownership accommodation, temporary social housing and housing accommodation let at market rents may be required. Only prior year totals are required as part of this Note.

* In the case of service charges receivable from housing accommodation, service charges receivable shall be split between those eligible for housing benefit and those which are not.

PART 2

OTHER INFORMATION TO BE SHOWN IN THE ACCOUNTS

Establishment of registered housing association

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

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Financial reporting standards

2. Whether the accounts have been prepared in accordance with applicable financial reporting standards, particulars of any material departures from these standards and the reasons for any such departure. In this paragraph, “financial reporting standards” has the same meaning as “accounting standards” in section 256(1) of the Companies Act 1985⁽⁹⁾ and “applicable” has the same meaning as in section 256(2) of that Act.

Pensions

3. A statement of the nature of the pension scheme and how it is funded. Details of the nature of the chief executive’s pension arrangements stating—

- (i) whether he is an ordinary member of the pension scheme;
- (ii) whether any enhanced or special terms apply;
- (iii) whether he has an individual pension arrangement (including a personal pension);
and
- (iv) the value of the registered housing association’s contributions.

The information relating to the chief executive may be shown under the pension note or as part of the information required to be shown under paragraphs 5 to 7 below.

Extension of definition of director

4. In paragraphs 5 to 15 below, “director” also includes the chief executive and any other person reporting directly to the chief executive or directly to the board and whose total emoluments exceed £40,000 per year.

Directors' remuneration, etc.

5. The aggregate amount of emoluments payable to or receivable by the registered housing association’s directors or former directors during the period of account or, where no such emoluments are so payable or receivable, a statement to that effect.

6. The emoluments payable to or receivable by the highest paid director during the period of account, excluding pension contributions.

7. Where the registered housing association is a member of a group or where the aggregate amount of directors' emoluments exceeds £40,000, then the number of directors to whom emoluments (excluding pension contributions) were payable or receivable during the period of account and whose emoluments fall within each of the following bands:—

- more than £40,000 but not more than £45,000
- more than £45,000 but not more than £50,000
- more than £50,000 but not more than £55,000
- more than £55,000 but not more than £60,000
- and so on.

8. In paragraphs 5 to 7 above, “emoluments” means emoluments in respect of a director’s services as a director of the registered housing association or the director’s services (while a director of the registered housing association) in connection with the management of its affairs or the affairs of any subsidiary undertaking of the registered housing association, and includes—

- (a) wages and salaries, including performance pay, payable for the period;

⁽⁹⁾ Section 256 was substituted by the Companies Act 1989, section 19.

- (b) fees and percentages;
- (c) sums payable by way of expense allowance (so far as chargeable to United Kingdom tax);
- (d) contributions payable in respect of pensions except where otherwise stated; and
- (e) the estimated money value of any other benefits otherwise than in cash,

and emoluments in respect of a person accepting office as director shall be treated as emoluments in respect of his service as director.

9. The total expenses reimbursed in so far as not chargeable to United Kingdom income tax.

10. The aggregate amount of any compensation payable 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 registered housing association or any subsidiary, and compensation in respect of other offices.

11. In paragraph 10 above, “compensation” means compensation received or receivable for—

- (a) loss of office as a director of the registered housing association, or
- (b) loss, while a director of the registered housing association or in connection with ceasing to be a director of that body, of—
 - (i) any other office in connection with the registered housing 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 registered housing association,

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

12. The aggregate amount of directors' or past directors' pensions. This amount does not include any pension payable 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 payable or receivable in respect of any such services of a director or past director as are mentioned in paragraph 8 whether to that person or by that person or, on that person’s nomination or by virtue of dependence or other connection with that person, to or by any other person. The amount shown shall distinguish between pensions in respect of services as director, whether of the registered housing association or any of its subsidiary undertakings, and other pensions.

13. In paragraph 12, references to pension include benefits otherwise than in cash and, in relation to such non-cash benefits, references to their amount is to the estimated money value of the benefit. The nature of any such benefit shall also be disclosed.

14. Particulars of any loan made to a director or person connected with a director. Particulars of any loan which is repayable by the registered housing association, in which a director of the registered housing association or person connected with the director has an interest.

Consideration for directors' services

15. The aggregate amount of any consideration payable to or receivable by third parties for making available the services of any person as director of the registered housing association, or (while a director of the registered housing association) in connection with the management of the affairs of the registered housing association or the affairs of any subsidiary undertaking of the registered housing association. Where the consideration includes a benefit otherwise than in cash, the reference to its amount is a reference to the estimated value of the benefit; and the nature of such consideration shall be shown. “Third parties” means persons other than a director or a person connected with the director or a body corporate controlled (within the meaning of section 346 of the Companies Act 1985) by that director and the registered housing association or any of its subsidiary undertakings.

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Employees

16. The average number of employees of the registered housing association including part-time employees, as ascertained from the average number of persons employed in each month of the period of account but excluding any employees who are members of the board of the registered housing association.

17. The average number of employees expressed in full time equivalents.

18. In relation to employees and the members of the board of the registered housing association, the aggregate amount of—

- (a) wages and salaries (including performance pay) payable for the period;
- (b) the social security costs incurred by the registered housing association; and
- (c) any other pension costs so incurred.

19. In paragraph 18, “social security costs” means any contributions by the registered housing association to any state social security or pension scheme, fund or arrangement. “Pension costs” includes any costs incurred by the registered housing association in respect of any pension scheme established for the purpose of providing pensions for persons currently or formerly employed by the registered housing association, any sums set aside for the future payment of pensions directly by the registered housing association to current or former employees and any pensions paid directly to such persons without having first been set aside.

Auditors

20. The amount of remuneration, including sums payable in respect of expenses of the registered housing association’s auditors in their capacity as such.

21. The amount of any remuneration, including sums payable in respect of expenses, received or receivable by the registered housing association’s auditors or their associates in respect of services other than those of auditors in their capacity as such. “Associate” has the same meaning as in regulations made under section 390B of the Companies Act 1985⁽¹⁰⁾.

Fixed assets

22. The amount of fixed assets at the beginning of the period of account and at the balance sheet date and the effect on any amount shown in the balance sheet in respect of that item of—

- (a) any revision of the amount in respect of any assets included under that item made during the period of account;
- (b) acquisitions during the period of account;
- (c) disposals of fixed assets during the period of account; and
- (d) any transfers of fixed assets of the registered housing association to and from that item during the period of account.

23. In respect of each item under paragraph 22, there shall be stated—

- (a) the cumulative amounts of provisions for depreciation or diminution in value of assets included under that item as at the balance sheet date;
- (b) the amount of any such provision 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

⁽¹⁰⁾ Section 390B was inserted by the Companies Act 1989, section 121.

- (d) the amount of any other adjustments made in respect of any such provisions during the period of account.

24. Where the fixed assets of a registered housing association (other than listed investments) are included under any item shown in the registered housing association's balance sheet on the basis of a valuation obtained by the registered housing association, the following information shall be given:—

- (a) the year in which the assets were valued (so far as known by the board) 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.

25. Where any amount is shown in respect of land (including buildings) in the registered housing association's balance sheet, there shall be stated—

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

“Long lease” and “short lease” have the same meaning as in paragraph 83 of Schedule 4 to the Companies Act 1985.

Investments

26. Where the amount of investments is shown in a registered housing association's balance sheet for a period of account, there shall be stated how much of that amount relates to a listed investment.

27. Where the amount of any listed investment is stated for any item in accordance with paragraph 26, the following amounts should also be stated:—

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

28. In paragraphs 26 and 27, “listed investment” means an investment in respect of which there has been granted a listing on a recognised investment exchange other than—

- (a) an overseas investment exchange within the meaning of the Financial Services Act 1986⁽¹¹⁾; or
- (b) any stock exchange of repute outside Great Britain.

Reserves and provisions

29. Where the reserves or provisions of a registered housing association are shown in the accounts, the information mentioned in paragraph 30 shall be shown if any amount is charged or appropriated—

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

30. The information to be shown if paragraph 29 applies is—

(11) 1986 c. 60.

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- (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 reserves or provisions during that period;
- (c) what the reserve or provision is intended for.

31. Particulars shall be given of each provision included in the item “other provisions” in the registered housing association’s balance sheet in any case where the amount of the provision is material.

32. In respect of any designated or restricted reserve—

- (a) the amount brought forward from the previous period of account;
- (b) the transfer from the income and expenditure for the period, including any amount relating to interest receivable or investment income;
- (c) the transfer to the income and expenditure account for the period; and
- (d) the amount carried forward to the next period of account.

Deferred taxation

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

Creditors

34. In respect of each item shown under “creditors” in the registered housing 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 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 included under that item which are payable or repayable by instalments any of which fall due for payment after the end of the period in (a) above.

35. In respect of each item shown under “creditors” in the registered housing 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 registered housing association; and
- (b) an indication of the nature of the securities given.

36. Subject to paragraph 37, in relation to each debt falling to be taken into account under paragraph 35 the terms of payment or repayment and the rate of interest payable on the debt shall be stated.

37. If it is not practicable to comply with paragraph 36 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.

38. In paragraphs 34 and 35, references to an item shown under “creditors” in the registered housing association’s balance sheet include references to items which would but for article 23(b) of this Order be shown under that heading.

39. References in paragraphs 34 and 35 to an item shown under “creditors” in the registered housing association’s balance sheet include 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 paragraph 34, to an item shown under the latter of these categories; and
- (b) in a case within paragraph 35, to all items shown under this category;

and references to items shown under “creditors” include references to items which would but for article 23(b) of this Order be shown under that heading.

Rent arrears and rent

40. The aggregate amount of rent arrears and the amount of any provisions for bad debts.

41. The average assured tenancy rent for housing accommodation charged by the registered housing association, calculated by dividing the total rent for the period (including service charges eligible for housing benefit) by the arithmetical average of the number of assured tenancies. Comparative figures for the previous period of account should also be shown as well as the percentage increase and decrease between both of these figures.

Charges

42. Particulars of any charge on the assets of the registered housing association to secure the liabilities of any other person, including, where practicable, the amount secured.

43. 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 registered housing association in connection with that liability and, if so, what.

44. There shall be stated where practicable—

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

45. Particulars shall be given of—

- (a) any pension commitments included under any provision shown in the registered housing association’s balance sheet;
- (b) any such commitments for which no provisions have been made; and
- (c) any pension commitment relating to past directors of the registered housing association.

46. Particulars shall also be given of any other financial commitments which have not been provided for and are relevant to assessing the registered housing association’s state of affairs in relation to its housing activities.

Debentures

47. Where a registered housing association has issued debentures during the period of account, the following information shall be given:—

- (a) the classes of debentures issued; and
- (b) as respects each class of debentures, the amount issued and the consideration received by the registered housing association.

Loans

48. The amount of interest on, or any similar charges in respect of, bank loans and overdrafts and any other kind of loans made to the registered housing association.

Special circumstances

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

50. The following amounts shall be stated:–

- (a) the amounts of the charge for United Kingdom corporation tax;
- (b) the amounts of the charge for United Kingdom income tax; and
- (c) the amounts of any grants receivable to relieve tax liability.

Accommodation in management

51. The number of units of different types of accommodation at both the start and the end of the period of account. “Types” in this paragraph includes housing accommodation, supported housing accommodation, shared ownership accommodation, temporary social housing, housing accommodation let at market rent and accommodation managed by the registered housing association on behalf of another body.

Accommodation managed by others

52. Where accommodation belonging to a registered housing association is being managed on its behalf by another body–

- (a) the name of each managing body;
- (b) the amount, if any, of any supported housing management grant payable to that body; and
- (c) the number of units of accommodation managed at the start and the end of the period of account.

53. In paragraph 52(b), “supported housing management grant” means revenue grant payable to a registered housing association under the Special Needs Allowance Package in respect of services provided to residents living in supported housing.

54. If it is not practicable to comply with paragraph 52 because to do so would result in a statement of excessive length, it shall be sufficient to give details of the main managing bodies and a summary of the remainder.

PART 3

SUBSIDIARIES – INFORMATION TO BE SHOWN

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 unincorporated, the address of the principal place of business;
- (c) whether the registered housing association is required by statute to prepare group accounts;

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (d) details of transactions, guarantees and loans entered into with any member of the group of which the registered housing association is part and any surplus or deficit incurred in any transaction within the group;
- (e) the name of the undertaking which is regarded by the board as the ultimate parent undertaking of the registered housing association.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order lays down accounting requirements for housing associations registered with Scottish Homes, 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 1999 and it revokes the Registered Housing Associations (Accounting Requirements) (Scotland) Order 1993.