1993 No. 70

HOUSING

Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993

Made . . . . . 22nd February 1993

Coming into operation . . 1st April 1993

PART I

GENERAL

The Department of the Environment, in exercise of the powers conferred on it by Articles 19(1) and 37(2) of the Housing (Northern Ireland) Order 1992(**a**) and of all other powers enabling it 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) Order (Northern Ireland) 1993 and shall come into operation on 1st April 1993.

(2) Subject to Article 3, the Registered Housing Associations (Accounting Requirements) (Northern Ireland) Order 1983(**b**) and the Registered Housing Associations (Accounting Requirements) (Amendment) Order (Northern Ireland) 1992(**c**) are hereby revoked.

Interpretation

2. In this Order—

"the 1969 Act" means the Industrial and Provident Societies Act (Northern Ireland) 1969(**d**);

"the 1992 Order" means the Housing (Northern Ireland) Order 1992;

"accounts" means 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 Department under the 1992 Order;

(**a**) S.I. 1992/1725 (N.I. 15); *see* Article 2(2) for the definition of "the Department"
(**b**) S.R. 1983 No. 400
(**c**) S.R. 1992 No. 335
(**d**) 1969 c. 24 (N.I.)

"balance sheet" means the balance sheet required for the purposes of section 48(1) of the 1969 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;

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

"group" has the same meaning as in Article 270(1) of the Companies (Northern Ireland) Order 1986(**a**);

"housing accommodation" has the same meaning as in Article 2(2) of the Housing (Northern Ireland) Order 1981(**b**);

"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 37(2) of the 1969 Act;

"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 Article 354 of the Companies (Northern Ireland) Order 1986 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 Article 267(1) of the Companies (Northern Ireland) Order 1986(**c**); 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.

Application

3. This Order applies to the accounts of every association in respect of a period of account commencing on or after 1st April 1993; 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.

(**a**) S.I. 1986/1032 (N.I. 6); Article 270 was inserted by S.I. 1990/593 (N.I. 5), Article 24
(**b**) S.I. 1981/156 (N.I. 3)
(**c**) Article 267 was inserted by S.I. 1990/593 (N.I. 5), Article 24

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 within 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 committee.

(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 37(1) and (4) of the 1969 Act—

(*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 committee of the association and give the date of approval; and

(*b*) be signed by at least one member of that committee 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. 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 (Northern Ireland) Order 1986(**a**);

(*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 the total of items H to K.

(**a**) Schedule 4 Part I (Formats) was amended by S.I. 1990/593 (N.I. 5), Schedule 1, paragraphs 1 to 4

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 (Northern Ireland) Order 1986 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;

(*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 in the manner shown and the information specified in Part II of the Schedule.