1983 No. 400

HOUSING

Registered Housing Associations (Accounting Requirements) (Northern Ireland) Order 1983

Made . . . . . *1st December 1983*

Coming into operation . . . *1st January 1984*

The Department of the Environment in exercise of the powers conferred upon it by Article 126A of the Housing (Northern Ireland) Order 1981(**a**) and of all other powers enabling it in that behalf hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Registered Housing Associations (Accounting Requirements) (Northern Ireland) Order 1983 and shall come into operation on 1st January 1984.

Interpretation

2. In this Order—

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

"the 1981 Order" means the Housing (Northern Ireland) Order 1981;

"the 1983 Order" means the Housing (Northern Ireland) Order 1983(**c**);

"accounts" means the balance sheet and summary income and expenditure account, the statement of source and application of funds and additional financial statements required by this Order and notes to the accounts;

"association" means a registered housing association within the meaning of Article 124 of the 1981 Order;

"balance sheet" means the balance sheet required for the purposes of sections 37 and 48 of the 1969 Act;

"balance sheet date" means the date on which the period of account ends.

"housing activities" means all those activities of a registered housing association by reference to which it is to be regarded as a housing association;

"housing association grant" means grant payable under Article 137 of the 1981 Order;

"housing land" means land and buildings held by an association for the purpose of providing residential accommodation, including land and buildings in respect of which grant may be paid under Article 137 of the 1981 Order;

"listed investment" means an investment as respects which there has been granted a listing on a recognised stock exchange or any stock exchange of repute (other than a recognised stock exchange) outside the United Kingdom;

"long lease" means a lease whose unexpired term at the balance sheet date is not less than 50 years;

(**a**) S.I. 1981/156 (N.I. 3) inserted by Article 79 of S.I. 1983/1118 (N.I. 15)
(**b**) 1969 c. 24 (N.I.)
(**c**) S.I. 1983/1118 (N.I. 15)

"managing body" means in relation to an association, the committee of management or other directing body of an association;

"notes to the accounts" means notes to the balance sheet, the summary income and expenditure account and the statement of source and application of funds;

"period of account" means the period to which the summary income and expenditure account relates;

"rent" in relation to residential accommodation, includes any sum payable for or in consideration of the use or occupation of that accommodation;

"residential accommodation" has the same meaning as in Article 114 of the 1981 Order;

"summary income and expenditure account" means the revenue account required for the purposes of section 37 of the 1969 Act;

"unlisted investment" means any investment which is not a listed investment; and

"vacant accommodation" means residential accommodation available for occupation which has been vacant during the period of account.

General accounting requirements

3.—(1) The accounts of every association in respect of a period commencing on or after 1st January 1984 shall comply with the requirements of this Order so far as its housing activities are concerned.

(2) Nothing in this Order shall prejudice or affect the duties imposed by section 37 of the 1969 Act insofar as they require a true and fair view to be given of the state of affairs of an association and of its income and expenditure; and accordingly where it is necessary to depart from the requirements of Schedule 1 so as to give such a true and fair view—

(*a*) nothing in this Order shall prevent such a departure from those requirements; 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.

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

Disclosure of information

4.—(1) The information set out in Part I of Schedule 1 shall be shown in the balance sheet.

(2) The information set out in Part II of Schedule 1 shall be shown in the balance sheet or in notes to the accounts.

(3) The information set out in Part III of Schedule 1 shall be shown in the summary income and expenditure account.

(4) The information set out in Part IV of Schedule 1 shall be shown in the summary income and expenditure account, or in notes to the accounts.

Preparation of statement of source and application of funds

5.—(1) Every association shall prepare a statement of source and application of funds for the period of account.

(2) The statement of source and application of funds referred to in this Article shall be a statement which shows the disposition during the period of account and the previous period of all funds receivable by the association in each period, and the sources thereof.

Preparation of additional financial statements

6. In addition to the balance sheet, summary income and expenditure account and notes to the accounts as well as the statement of source and application of funds referred to in Article 5 and any other accounts which it is required to prepare apart from this Order, the association shall prepare the following additional financial statements:—

(*a*) a property revenue account;

(*b*) a property development account; and

(*c*) if appropriate, a services revenue account;

(*d*) a general income and expenditure account; and

(*e*) a statement of housing administration costs.

Requisite form of additional financial statements

7. The financial statements referred to in Article 6 shall be prepared in the following forms that is to say—

(*a*) the property revenue account shall be in the form set out in Schedule 2;

(*b*) the property development account shall be in the form set out in Schedule 3;

(*c*) the services revenue account shall be in the form set out in Schedule 4;

(*d*) the general income and expenditure account shall be in the form set out in Schedule 5;

(*e*) the statement of housing administration costs shall be in the form set out in Schedule 6.

Method of distinguishing housing activities in the accounts

8.—(1) Where an association undertakes any activities which are not housing activities, the method by which that association shall distinguish in its accounts between its housing activities and other activities shall be as set out in this Article.

(2) The method referred to in this Article shall be:—

(*a*) to identify those items which relate solely to housing activities; and

(*b*) to apportion those items which relate to housing and other activities.

Previous periods: transitional arrangements

9. Where by virtue of this Order an amount shown in the accounts for the period of account or, as the case may be, the balance sheet date is required to be accompanied by the corresponding amount for the previous period or date, that amount need not be shown where—

(*a*) that period, or the period ending on that date, began before 1st January 1984; and

(*b*) the managing body of the association state that information relating to that period or to that date cannot be obtained without unreasonable expense or delay.

Constitution of the Grant Redemption Fund

10.—(1) The Grant Redemption Fund of an association shall be constituted and shown in the accounts according to the method set out in this Article and in this Article 'Fund' means Grant Redemption Fund.

(2) The surpluses to be transferred to the Fund under Article 140A of the 1981 Order shall be calculated in the manner determined by the Department under Article 140A (3) of the 1981 Order.

(3) The surpluses so calculated shall be shown as such in the property revenue account.

(4) The Fund shall be shown in the balance sheet and the sums shown under paragraph (3) shall be transferred to that Fund.

(5) Subject to paragraph (7) the sums standing in the Fund shall not be applied or appropriated save as directed by the Department by notice given to the Association under Article 140A(5) of the 1981 Order.

(6) Where sums stand in the Fund in respect of previous periods, they shall be accumulated with any sums transferred to the Fund in respect of the period of account.

(7) Nothing in this Article shall prevent the monies represented by the sums standing in the Fund from being used temporarily by way of investment or for the purposes of the immediate needs of the association in respect of its housing activities, pending notice being given by the Department to the association under Article 140A(5) of the 1981 Order.

Sealed with the Official Seal of the Department of the Environment for Northern Ireland on 1st December 1983.

(L.S.) *J. Kirk*

Assistant Secretary

SCHEDULE 1 Article 4

DISCLOSURE OF INFORMATION

PART I

INFORMATION TO BE SHOWN IN THE BALANCE SHEET

1. All amounts shown in the balance sheeet for the balance sheet date shall be accompanied by the corresponding amounts for the previous balance sheet date (if any).

2. The various items shown in the balance sheet shall be sufficiently particularised to disclose their nature and the distinction where applicable between different activities of the association.

3. Fixed assets shall be distinguished from current assets.

4. Housing land shall be distinguished from other assets.

5.—(1) Fixed assets shall be entered in the balance sheet at their net book value, as ascertained in accordance with this paragraph.

(2) The net book value of the fixed assets which comprise housing land of an association shall be accompanied in the balance sheet by the elements in the calculation referred to below.

(3) The net book value of any fixed asset other than housing land is the difference between the cost of that asset and the total amount provided for depreciation thereof.

(4) The net book value of any other housing land shall be calculated according to the difference between its cost and the sum of:—

(*a*) the total amount provided for depreciation;

(*b*) all housing association grant received in respect thereof; and

(*c*) the total amount transferred to the property equity account (if any) in respect of that land.

(5) The cost to be entered under this paragraph for any asset is the cost of its acquisition and the cost of any works carried out thereupon.

6. There shall be itemised the aggregate amounts (where applicable) of the following:—

(*a*) reserves;

(*b*) provision for future cyclical repairs and maintenance to residential accommodation;

(*c*) any other provision (not being in respect of depreciation of assets); and

(*d*) the Grant Redemption Fund.

7. The balance sheet shall distinguish between loans to the association which:—

(*a*) fall to be repaid within one year of the balance sheet date;

(*b*) fall to be repaid at a later date;

(*c*) were incurred for the purposes of the acquisition of, or works upon, housing land; or

(*d*) were incurred for other purposes.

8. The balance sheet shall show the amount included with current assets in respect of revenue deficit grant and hostel deficit grant receivable.

PART II

INFORMATION TO BE SHOWN IN THE BALANCE SHEET OR IN NOTES TO THE ACCOUNTS

9.—(1) Where during the period of account any of the following events have occurred:—

(*a*) fixed assets have been acquired or disposed of;

(*b*) amounts provided for depreciation have been increased or adjusted;

(*c*) housing association grant has been received in relation to fixed assets; or

(*d*) amounts have been transferred to or from the property equity account (if any) of the association,