

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

- (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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£

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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(1) 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;

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(1) 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(2).

## **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

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(2) 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(3); 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—

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(3) 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.

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### **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;

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- (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.