
STATUTORY INSTRUMENTS

1993 No. 487

The Registered Housing Associations (Accounting Requirements) (Scotland) Order 1993

PART III

FURTHER ACCOUNTING REQUIREMENTS

Consistency

11.—(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 shown in the balance sheet and 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.

Prudence

12.—(1) The amount of any item shown shall be determined on a prudent basis and—

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

(b) 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 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.

True and fair view

13.—(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 that expenditure account in accordance with the duties imposed by section 3(1) and (4) of the Friendly and Industrial and

Provident Societies Act 1968 or section 226(2) of the Companies Act 1985(1) nothing in this Order shall prevent such a departure.

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

Income and charges

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

Aggregate amounts

15. 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.

Circulation of accounts

16. 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.

Date and signing

17.—(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.

Distinguishing housing activities

18. 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 land held by an association for the purposes of providing housing accommodation (including accommodation to be provided by disposal on sale or on lease) 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.

Rent surplus fund

19.—(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.

(2) The surpluses referred to in section 55(1) of the Housing Act 1988 in respect of any period of account shall be transferred to the rent surplus fund.

(3) The profit and loss account for that period of account shall show separately the surpluses transferred to the rent surplus fund in respect of that period of account.

(1) Section 226 was inserted by the Companies Act 1989, section 4(1).

(4) The balance sheet for that period of account shall show separately the sum standing in the rent surplus fund at the end of that period, indicating to what extent it represents the surpluses in respect of that period of account and to what extent it represents sums in the fund in respect of previous accounting periods.