



THE ALMSHOUSE ASSOCIATION

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Patron: HRH The Prince of Wales KG KT GCB

Finance

18th April 2012

Michelle Sansom
Accounting Standards Board
5th Floor, Aldwych House,
71-91 Aldwych,
LONDON WC2B 4HN

Dear Madam,

The Future of Financial Reporting

I write in response to your consultation document with the above title, specifically with reference to the scope of one of the Statements of Recommended Practice (SORP) listed on Page 15 of the document as being proposed for updating as a result of your proposals, namely that relating to registered housing providers.

This Association is a membership organisation for the majority of Almshouse charities in the UK. These are all regulated by the Charity Commission and consequently should be primarily subject to the SORP "Accounting and Reporting by Charities". However from time to time finance has been made available to our members through the Homes and Communities Agency, or its predecessor bodies. Those of our members who have sought to take advantage of this finance have been required to register as providers of social housing. Under the terms of the SORP "Accounting by Registered Social Housing Providers", that SORP takes precedence over the charity SORP.

We appreciate that the reason this order of precedence is stipulated is a wish by the Homes and Communities Agency to have a uniform basis of accounting throughout the social housing sector. However this has had the unfortunate effect of creating two different accounting structures within the Almshouse sector. This dichotomy has become more pronounced following the latest revision of the Housing SORP and the introduction of component accounting, which has caused particular difficulties for our members, many of whom are very small in terms of housing assets and have little, if any, internal accounting expertise.

We submit that the advantage to the Housing Sector of having some Almshouse Charities comply with the Housing SORP is very minor, and considerably outweighed by the disadvantages in terms of extra cost and inconsistent accounting amongst our members whose primary regulator is of course the Charity Commission.

We would like to request that on any future revision of the Housing SORP, exclusion from its scope be given to registered providers who are also members of this Association.

Yours faithfully

Anthony DeRith