

EXEMPLIFICATION

JOURNALS FOR SHADOW ACCOUNTS

PARAGRAPH 6.4

	£000	£000
Dr HRA net cost of services	72000	
Cr Asset Management Revenue Account		72000
(a) To charge net cost of services with the notional interest element of capital charges		
Dr Asset Management Revenue Account	72000	
Cr HRA below net cost of services, within net operating expenditure		72000
(b) To reverse out the notional interest element of capital charges below the net cost of services		
Dr HRA below net cost of services, within net operating expenditure	50117	
Cr HRA net cost of services		50117
(c) To charge the “actual” interest “paid” by the HRA in accordance with the item 8 determination below net cost of services instead of within net cost of services.		
Dr HRA net cost of services	1339	
Cr HRA below net cost of services, within net operating expenditure		1339
(d) To credit the “interest receivable” below net cost of services instead of within net cost of services.		

PARAGRAPH 7.6

Dr HRA net cost of services	18000	
Cr HRA net cost of services		18000
To bring an estimated MRA into the net cost of services		

PARAGRAPH 9.3

Dr HRA appropriations section	10851	
Cr HRA net cost of services		10851
To transfer housing set aside/MRP from the net cost of services to the appropriations section of the account		

PARAGRAPH 10.3

Dr HRA appropriations section	4368	
Cr HRA net cost of services		4368
To transfer capital expenditure financed from revenue from the net cost of services to the appropriations section of the account		

HRA FOR SHADOW ACCOUNTS

	Present format £000	Items changed £000	Shadow Account s £000	Paragrap h referenc e for journals
Income				
Dwelling rents	88979		88979	
Non Dwelling rents	4264		4264	
Charges for services and facilities	7448		7448	
Contributions towards expenditure	1174		1174	
Government subsidies	105182	18000	123182	7.6
Interest receivable	1339	(1339)		6.4(d)
	208386	16661	225047	
Expenditure				
	48290		48290	
	25356		25356	
Management Maintenance	8501	18000	18000	7.6
Major repairs allowance	56117		56117	
Rents, rates and taxes	50117	(50117)		6.4(c)
Rent rebates	10851	(10851)		9.3
Loan charges – interest		72000	72000	6.4(a)
Housing set aside/MRP	4368	(4368)		10.3
Capital charges – interest	1550		1550	
Revenue contribution to capital	205150	24,664	229814	
	(3236)	8003	4767	

Increase in provision for bad debts		(72000)	(72000)	6.4(b)
		50117	50117	6.4(c)
		(1339)	(1339)	6.4(d)
Net cost of services	(3236)	(15219)	(18,455)	
Capital charges - interest		10851	10851	9.3
Loan charges— interest		4368	4368	10.3
Interest receivable	(3236)	0	(3236)	
Net operating expenditure	=====	=====	=====	
Appropriations				
Housing set aside/MRP Revenue contribution to capital				
(Surplus)/deficit				

Notes:

- (1) Assume for notional interest capital stock value of £1.2 billion
- (2) Assume major repairs allowance of £18 million.

BACKUP ENTRIES FOR SHADOW ACCOUNTS

AMRA SHADOW ACCOUNTS

	£000		£000
SUBSIDY			
	Debits	Credits	
To below net cost of HRA services	72000	6% capital charge	72000

SUBSIDY

	Debits	Credits	
M&M	60000	Rents	66500
Loan charges	60500	Other	818
Benefits	52000	Balance to HRA	105182
	172500		172500

SUBSIDY INCLUDING MRA

	Debits	Credits	
M&M	60000	Rents	66500
Major Repairs Allowance	18000		
Loan charges	60500	Other	818
Benefits	52000	Balance to HRA	123182
	190500		190500