

Beever and Struthers: Housing Know-How Tech Update



Dear Olivia

Following on from our last update on **Cyber Risk**, we're turning our attention to another issue that is becoming increasingly relevant for housing providers and beyond: **Accounting for Cloud Computing Arrangements ('CCA')**.

More and more organisations are moving to "Software as a Service" (SaaS) models, where applications are accessed remotely rather than installed locally. While this shift offers flexibility and scalability, it also raises questions for finance teams: is it a lease, an intangible asset, or just a service contract? What about upfront implementation costs?

The guidance under Financial Reporting Standard (FRS) 102 isn't explicit, but the latest thinking – drawing on IFRIC interpretations – gives us some helpful pointers. In most cases, SaaS is a service contract, meaning costs are expensed over the contract term. Prepayments may arise where services are paid for in advance, while configuration or customisation costs generally don't create intangible assets unless they result in something truly separate (like a new interface or standalone code).

The revised version of FRS 102, effective from next year, will bring some changes, but in practice the answers may not be too different. What remains important is applying a clear accounting policy, documenting judgements, and being transparent about why certain costs are capitalised or expensed.

At **Beever and Struthers**, we understand this can feel technical, but our approach is to keep things practical. We help organisations navigate CCA accounting decisions, ensuring policies are robust, judgements are clearly explained, and financial statements remain transparent. If you'd like to discuss how these issues apply in your organisation, we're here to help.

If you have any concerns or questions about the content, please give us a call on **03330 910411** or drop us an email at socialhousing@beeverstruthers.co.uk. We are here to support you.



Accounting for Cloud Computing Arrangements ('CCA')

Cloud computing is now part of everyday operations for many housing providers and businesses. Moving to 'Software as a Service' ('SaaS') and other cloud-based models brings flexibility and efficiency, but it also raises questions for finance teams about how these arrangements should be treated in the financial statements.

[Find out more](#)

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