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STATUTORY INSTRUMENTS

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**2022 No. 711**

**The Building Safety (Leaseholder  
Protections) (England) Regulations 2022**

**Determination of net worth of landlord group**

5.—(1) For the purposes of paragraph 3 of Schedule 8 to the Act, the net worth of the landlord group at the qualifying time is determined in accordance with this regulation.

(2) Where the relevant landlord(1) is a private or public limited company(2) the net worth is calculated according to the following formula—

Net Worth = Total Assets – Total Liabilities – Intangible Assets

(3) In determining net worth of a landlord group(3) in accordance with paragraph (2)—

- (a) the “total assets”, “total liabilities” and “intangible assets” of the relevant landlord and landlord group are to be determined from the most recent audited or filed accounts for that group audited or filed after 14 February 2017 but before 14 February 2022;
- (b) subject to paragraph (3)(c) below, a copy of the accounts as set out in paragraph (3)(a) above must be provided to the leaseholder under regulation 6(5)(b);
- (c) where audited accounts are not available, the landlord may produce as evidence for the landlord’s certificate according to regulation 6 the accounts which have most recently been filed at the relevant companies’ registry for the country in which the company is registered;
- (d) where the accounts referred to in this paragraph are not prepared in pounds sterling, the value of any asset or liabilities must be converted using the Bank of England daily spot rate for the respective currency on 14 February 2022;

(4) Where the relevant landlord itself comprises more than one person—

- (i) Those persons jointly shall be the relevant landlord;
- (ii) The total net worth of the relevant landlord should be taken as the sum of the net worth of each person and their associates; and
- (iii) The number of relevant buildings(4) is the total number of relevant buildings owned either leasehold or freehold by each person and their associates.

(5) Where the relevant landlord is an individual, the net worth is calculated according to the following formula—

Net worth = Assets - Liabilities

(6) In determining the net worth of a landlord group in accordance with paragraph (5), the “assets” and “liabilities” of a landlord includes those of the landlord’s spouse or civil partner at the qualifying time(5).

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(1) See paragraph 3 of Schedule 8 to the Act for the definition of “relevant landlord” in relation to meeting the contribution condition

(2) See Part 1 (sections 3 and 4) of the Companies Act 2006 for definitions of “private”, “public”, and “limited” companies.

(3) See paragraph 3(4)(a) for the definition of “the landlord group”.

(4) See section 117 of the Act for the definition of “relevant building”.

(5) See section 119(2)(d) for the definition of “the qualifying time”.

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**Status:** *This is the original version (as it was originally made).*

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