



Llywodraeth Cymru
Welsh Government

The Accounting Requirements for Registered Social Landlords General Determination (Wales) 2026

The Welsh Ministers

April 2026

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OVERVIEW

1. Under Part 1 of the 1996 Housing Act, the Welsh Ministers regulate RSLs in Wales and are referred to in this Determination as “the Regulator” for the purposes of regulatory functions.
2. The Accounting Requirements for Registered Social Landlords General Determination (Wales) 2026 (The Determination) as to the requirements for the financial statements of RSLs is made by the Welsh Ministers under paragraph 16 of Schedule 1 to the Housing Act 1996. Consultation has taken place in accordance with section 53 of that Act.
3. The Determination is in addition to the requirement that the financial statements prepared by Registered Social Landlords (RSLs) shall comply with UK Generally accepted accounting practice’ (‘GAAP’).
4. This General Determination is made without prejudice to the Welsh Ministers’ power to make specific Determinations under the provisions of the Housing Act 1996. Where reference is made to any legislation, circular or guidance which is subsequently amended or replaced, then the later publication should be taken to apply to this Determination until such time it is revised.
5. The Regulator will make arrangements to bring this Direction, and any subsequent changes made, to the attention of RSLs by publishing it on the Welsh Government website.
6. The terms used in this document are set out in Annex 1,
7. The Welsh Ministers may vary or revoke this Direction, whether generally or in relation to a particular RSL, a particular notification or type of notification. They may also give a further Direction in different terms to this Direction to particular RSLs.

EFFECTIVE DATE

8. This Determination applies to periods of account beginning on or after 1 January 2026 and supersedes the Accounting Requirements for RSLs General Determination 2015. The 2015 Determination continues to apply to periods of account beginning prior to 1 January 2026 unless a RSL chooses to apply this 2026 Determination for periods of account prior to that date.

REQUIREMENTS OF THE DETERMINATION

GENERAL

9. Copies of the statutory accounts for all RSLs, including subsidiary RSLs, are to be published on the RSLs website.
10. Unless otherwise stated the terms and expressions used in the determination have the same meaning as those used in GAAP.
11. Any requirement in this Determination to prepare information in a specified form shall be satisfied if it is prepared in a form substantially to the same effect.
12. Unless stated otherwise, amounts which in a particular context of any provision of this Determination are not material may be disregarded.

NARRATIVE REPORTING

13. Attention is drawn to Chapter 4 of the SORP which sets out the requirement for Narrative reporting. The SORP requires social landlords with over 1,000 homes in management to publish a strategic report as part of the report from the board. The Determination requires RSLs with over 1,000 homes to follow this guidance Those with less than 1,000 homes are encouraged to do so.
14. RSLs should publish a report commensurate with the size of the business which provides a balanced view on the performance during the financial year. RSLs should refer to Financial Reporting Standards and the relevant SORPs for further guidance.

CASHFLOW

15. Where there is a group structure, all RSLs within the group, including RSL subsidiaries shall prepare a cashflow statement.
16. In addition, all RSLs including any RSL which is a subsidiary of another RSL must either provide a statement of free cash as detailed below or provide sufficient detail in the body of the cashflow statement to enable free cash to be determined. This statement can be either below the cashflow statement or as a note to the accounts.

17. The purpose of the additional free cash flow disclosure is to ascertain the level of cash generated or consumed by the existing portfolio of properties and, as such, does not include the development of new properties or any activities outside the course of the normal activities of the RSL.
18. Where the format detailed below gives the reader a misleading assessment of the generation of free cash additional lines maybe added. For example, where property sales are a part of routine business such as build for sale these can be included in the free cash flow. Proceeds from property disposals are not considered to be part of free cash.

Free cash flow

for the year ended 31 March

XXX1 XXX0

Net cash generated from operating activities

Interest paid

Interest received

Taxation paid

Adjustments for reinvestment in existing properties

Component replacements

Purchase of other replacement fixed assets

Component replacement grant received

Free cash generated / (consumed) before loan repayments

Loans repaid (excluding revolving credit and overdrafts)

Free cash generated / (consumed) after loan repayments

NOTES TO THE ACCOUNTS

SOCIAL AND NON-SOCIAL PURPOSE ACTIVITIES

19. The notes to the accounts of every RSL with more than 1,000 homes in management shall show the information specified in both Notes A and B below.

20. For those RSLs with less than 1,000 homes in management an analysis of their major activities in a format suitable to their individual circumstances should be provided.

Note A

21. Note A should separately disclose income from social purpose housing activities and income derived from non-social purpose housing activities.

22. Examples of non-social purpose housing activity include market rented and student accommodation.

23. All activities whether social or non-social purpose housing should be separately disclosed if the value is material. A guideline for this is where an activity is greater than 5% of either turnover or costs.

24. In providing the information required by Note A, lines with a nil value can be omitted and lines where the value is not material i.e. below 5% of both turnover and costs can be aggregated. Activities with materially different risk profiles should not be aggregated.

25. The corresponding amount, if any, for the previous period of account shall be shown.

Note B

26. General needs including sheltered housing, and supported housing should be shown separately within Note B. 'Other social purpose housing letting' in Note B relates to the balance of any other social purpose housing letting activities which is not general needs, sheltered or supported housing. Examples of 'other' social purpose housing activities are; key worker accommodation, residential care homes and shared ownership. Where material, i.e. greater than 5% of social purpose housing turnover, these should be listed separately.

27. Note B shows the minimum split of activities required. RSLs should show further analysis if, in their opinion, it would be beneficial to the reader of the accounts.

28. Income for support services funded from Housing Support Grant should be shown under 'Supported housing' within Note B if it relates to tenant contracts and within Note A in 'Other social housing activities' if it relates to non-tenant contracts. In exceptional cases Housing Support Grant may be provided in non-social housing in which case it should be disclosed under 'Non-social housing activities' in Note A.

Note A - Particulars of Turnover, operating costs and operating surplus

	XXX1	XXX1	XXX1	XXX0	XXX0	XXX0
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£	£	£	£	£	£
HOUSING LET FOR A SOCIAL PURPOSE						
Lettings						
Other social housing activities ¹						
1st tranche property sales ²						
Revenue Grants						
Other						
NON SOCIAL HOUSING ACTIVITIES						
Non-social housing activities ³						
Lettings						
Other						

Additional lines should be included within Note A to ensure consistency with the Operating Surplus and Deficit line in the Statement of Comprehensive Income' which may include, for example, the disclosure of profits or losses on the sale of property, plant and equipment or revaluation of investment properties

1. Additional lines analysing 'other social housing activities' and 'non-social housing activities' should be included in this note. In this context a materiality level of 5% of turnover or costs should be applied.
2. 1st tranche sales relates to properties intended for resale.
3. For examples of Non Social Housing refer to paragraph 22 of this schedule.

Note B - Particulars of Income and expenditure from housing let for a social purpose

	XXX1	XXX1	XXX1	XXX1	XXX0
	General needs and sheltered housing £	Supported housing £	Other housing let for a social purpose £	Total £	Total £
Income					
Rent receivable ¹					
Service charge income					
Income for support services					
- Housing Support Grant					
Government Grants taken to Income ²					
Amortised Government Grant ³					
Turnover from social housing lettings					
Costs					
Management ⁴					
Service charges ⁵					
Routine Maintenance ⁶					
Major Repairs ⁷					
Bad debts					
Depreciation of housing properties					
Impairment of housing properties					
Other costs ⁸					
Operating costs on social housing activities					
Operating surplus (deficit) on social housing lettings					
Rent loss due to voids (memorandum note)					

1. Rent receivable should be calculated net of any voids, which are disclosed as a separate memorandum item in Note B.
2. Government grant taken to income as required under the performance model defined in FRS 102
3. Amortised government grant as required under the accrual model defined in FRS 102
4. Management costs covers tenancy management costs but also includes costs relating to policy and general management and relevant overheads associated with these costs.
5. Service charge costs are directly attributable costs of providing those services including overheads relating to those activities.
6. Routine maintenance includes all day to day revenue repairs expenditure and overheads relating to those activities.
7. Major Repairs are those works not taken to Capital
8. Other to be split into separate categories where material

Shared Ownership income and costs should be included within other social housing letting unless material, whereupon it should be shown separately.

ESTABLISHMENT

29. A statement of the legislative provisions under which the RSL is established.

COMPLYING WITH THE DETERMINATION

30. The financial statements must state whether they have been prepared in accordance with this Determination. Particulars of any material departures from the Determination and the reasons for any such departure should be disclosed in the notes to the accounts.

REMUNERATION

Consideration for non-executive directors' services

31. A statement as to how non executive Board members are remunerated. This should include the following:

- a. The amounts payable for each role
- b. If pension contributions are payable
- c. How compensation for loss of office is determined;
- d. The total value of payments made during the year

Payments made to the executive management team

32. The aggregate amount of remuneration, including employer pension contributions, payable to members of the executive management team during the period of account or, where no such remuneration is payable, a statement to that effect.

33. The full time equivalent number of the executive management team whose remuneration, including employer pension contributions, payable in relation to the period of account fell within each band of £10,000 from £50,000 upwards. This should include compensation for loss of office.

34. In paragraphs 32-33 above, amounts to be disclosed include benefits otherwise than in cash and, in relation to such amounts, reference to the amounts are to be the estimated money value of the benefit. The nature of such benefits should be disclosed.

35. Whether any directors have individual pension arrangements that differ from those available to other employees. This includes a personal pension to which the RSL or any of its subsidiaries contributes.
36. Where such arrangements in Paragraph 35 exist, details of the nature of the pension arrangements stating:
- a. Which directors posts have such an arrangement
 - b. the nature of the pension scheme and how it is funded;
 - c. whether they have an individual pension arrangement (including a personal pension) to which the RSL or any of its subsidiaries makes a contribution, and if so, the aggregate amount of contribution made by the RSL and its subsidiaries.
 - d. The value of the contributions made in the period of account
37. "remuneration" in paragraphs 32 – 34 above includes remuneration in respect of a director's services as a director of the RSL or the director's services (while a director of the RSL) in connection with the management of its affairs or the affairs of any subsidiary undertaking of the RSL, whether those amounts are payable by the RSL or any of its subsidiaries, and includes:
- a. wages and salaries, including performance related pay, payable for the period;
 - b. fees;
 - c. sums payable by way of expense allowance (so far as chargeable to United Kingdom tax);
 - d. contributions payable in respect of pensions except where otherwise stated; and
 - e. the estimated monetary value of any other benefits otherwise than in cash. Remuneration in respect of a person accepting office as director shall be treated as remuneration in respect of their service as director.
 - f. The aggregate amount of any compensation payable to directors or past directors during the period of account in respect of loss of office (whether by retirement or otherwise) shall be recorded in the notes and distinguish between compensation in respect of the office of director, whether of the RSL or any subsidiary, and compensation in respect of other offices.

38. "compensation" in paragraphs 37f above means compensation received or receivable for:

- a. loss of office as a director of the RSL; or
- b. loss, while a director of the RSL or in connection with ceasing to be a director of that body or:
- c. loss of any other office in connection with the RSL's affairs; or
- d. loss of any office as director or otherwise in connection with the management of the affairs of any subsidiary undertaking of the RSL.

39. Remuneration in respect of a person accepting office as director shall be treated as remuneration in respect of his or her service as director.

All Employees including Non-Executive Board members

40. In relation to all employees of the RSL the aggregate amount of:

- a. wages and salaries including performance related pay, payable for the period, with a separate figure shown for staff and non-executive board members;
- b. social security costs incurred by the RSL;
- c. any other pension costs incurred, excluding those for past service deficits.
- d. the estimated monetary value of any other benefits otherwise than in cash

41. In paragraph 40 "social security costs" means any contributions by the RSL to any social security or state pension scheme, fund or arrangement. "Other pension costs" in paragraph 40c above includes any costs incurred by the RSL in respect of any pension scheme established for the purpose of providing pensions for persons currently or formerly employed by the RSL, any sums set aside for the future payment of pensions directly by the RSL to current or former employees and any pensions paid directly to such persons without having first been set aside.

42. The average number of employees employed during the period of account and prior period of account, expressed in fulltime equivalents.

FIXED ASSETS

43. Properties held for the purpose of social housing letting shall be disclosed separately from other housing properties; and if material, each business stream shall be included as a separate class of asset. If properties held for non-social housing lettings are only material in aggregate, and not for each business stream, then they may be disclosed as a separate class, in aggregate.
44. In respect of housing properties the amount of capitalised major repairs and component replacement spending during the year should be separately disclosed as part of the fixed asset note.
45. In respect of housing properties under development, the amount of capitalised interest should be disclosed.

PROPERTIES

Properties owned and in management

46. The RSL should disclose the number of units of different types of housing accommodation owned and managed by the RSL at both the start and the end of the period of account.
47. "Types" in paragraph 46 include general needs housing, intermediate rentals, supported housing, low-cost home ownership accommodation, temporary social housing, keyworker accommodation, care and extra care homes student accommodation, nursing homes and market rented accommodation. This list is not exhaustive and RSLs must provide full analysis appropriate to their operating circumstances.

Properties managed by a third party

48. Where accommodation owned by a RSL is managed on its behalf by another body, the type and number of units of accommodation managed by other entities at the start and the end of the period of account is to be disclosed.

Properties managed on behalf of a third party

49. Where accommodation owned by another body is managed on its behalf by a RSL, the type and number of units of accommodation managed at the start and the end of the period of account is to be disclosed.

CREDITORS

Rent arrears and rent

50. The aggregate amount of rent arrears and the amount of any provisions for bad and doubtful debts should be separately disclosed.

Recycled Capital Grant

51. In respect of the recycled capital grant fund creditor there shall be shown: a reconciliation between the balances held at the beginning of the period of account and the balance at the end of the period of account, showing amounts added into and taken out of the fund. The reasons for amounts taken out should be disclosed; and the amount which is due for repayment to the Welsh Government within 12 months and after 12 months of the year end.

52. In respect of the disposal proceeds fund, this should be disclosed in the same format as the recycled capital grant, as set out in 51 above.

COMMITMENTS

Capital funding commitments

53. the aggregate amount of contracts for capital expenditure, so far as not provided for;

54. the aggregated amount of capital expenditure approved by the board which has not been contracted for; and

55. Details of the proposed financing of such expenditure, for example the amount of grant, agreed loans, loans under negotiation or property sales.

Other commitments

56. Particulars shall also be given of any other financial commitments which have not been provided for and are relevant to assessing the RSL's state of affairs.

GRANTS & OTHER WG PAYMENTS

Amortised SHG Grant

57. Where a RSL holds grant in its statement of financial position as a deferred income liability, this is amortised over the useful life of the asset. A note should be prepared which reconciles the opening and closing balance of the deferred income liability. The original value of the grant should also be disclosed.

Housing Finance Grant

58. Housing Finance Grant (HFG) is a grant paid over a period of 30 years by the Welsh Government towards the costs of housing assets with delivery of the housing taking place in the first few years of the period. The primary purpose of HFG is to subsidise the capital and interest costs for the provision of affordable housing.

59. Upon confirmation of the HFG, the net present value of the HFG receivable over the agreed payment term must be shown as a capital grant. This should be shown, on the statement of financial position, in a comparable manner to Social Housing Grant (SHG).

60. A deferred debtor for the net present value of the HFG grant receivable should be shown under assets. This will need to be split between current and long term debtors.

61. Upon receipt of the grant, the debtor will decrease by the capital element of a conventional repayment loan. The difference between this and the amount of grant received should be credited to the Comprehensive statement of income as a contribution towards the financing cost of that scheme.

62. The discount rate to be used for all such net present value calculations should be the same rate that applies to the associated borrowing to fund the housing assets.

63. Worked examples are included within Circular RSL 03/13.

Disposal of housing assets supported by HFG

64. The capital grant element of HFG previously received is deemed to be repayable upon disposal of the housing asset. However, it is permissible for this to be treated as Recycled Capital Grant in the Recycled Capital Grant Fund and included in the statement of financial position as a creditor, in a comparable manner as applies to SHG.

Dowry (Gap Funding)

65. Where the RSL is a Large Scale Voluntary Transfer (LSVT) and is in receipt of Dowry, this is to be separately disclosed in the Statement of Comprehensive Income or Statement of financial position as appropriate. Where the Dowry is recognised in the statement of financial position and is amortised then it must be disclosed as per the requirements of paragraph 57.

GROUP STRUCTURES

66. The name of the undertaking which is regarded by the board as the ultimate parent undertaking of the RSL.

67. Details of all entities within a group or to which the RSL is associated, along with details as to which are RSLs are to be disclosed at Group level.

INTRA GROUP TRANSACTIONS

Analysis of intra group transactions between RSLs and non RSLs

68. Every RSL shall demonstrate a transparency in the flow of funds, allocation of overheads and transactions between registered and unregistered entities within the Group.

69. Where a RSL transacts with any associate, joint venture, subsidiary or other Group member which is not an RSL or is an unregistered entity, the RSL's financial statements shall:

- a. describe the basis of any significant apportionment, recharge or allocation of turnover, costs, assets and liabilities between the RSL and the other party;
- b. specify in aggregate the turnover, costs, assets or liabilities which have been so apportioned or allocated;

- c. specify which associates, subsidiaries and Group members have been involved in the apportionment and allocation.
- d. include any cross guarantees, debts between Group members or financial support made across Group members

Related Parties

70. Relationships between parents and subsidiaries and registered and unregistered Group or associated bodies shall be disclosed irrespective of whether there have been transactions between those related parties. Other related party transactions should be disclosed in accordance with FRS 102, unless otherwise required to satisfy the requirements of paragraphs 68-69.

ANNEX 1

Glossary of Terms

Words and expressions used in this Determination shall, unless the context requires otherwise, have the following meanings.

“**accounts**” means the RSL's financial statements which consist of the statement of financial position, the comprehensive statement of income, cashflow statements, notes to the accounts and any other such statements required to conform to generally accepted accounting practice.

“**associate**” is an entity over which the investor has significant influence but is neither a subsidiary nor joint venture.

“**board**” means the governing body of a RSL.

“**chief executive**” means the person who has overall responsibility for the running of the day to day affairs of the RSL.

“**disposal proceeds fund**” means the fund described in section 24(4) of the Housing Act 1996.

“**director**” means a member of the executive management team.

“**executive management team**” means a team of individuals at the highest level of organisational management who have the primary responsibility of managing an RSL and are sometimes referred to as executive directors and would commonly be present during board meetings.

“**general needs housing**” means any rented social housing, including sheltered housing, where residents do not receive intensive or supportive housing management. Residents receiving floating or move-on support should be categorised as living in general needs housing.

“**housing finance grant**” means a grant introduced by the Welsh Government in 2013/14. It is paid by the Welsh Government to RSLs as contribution towards the costs of new housing assets. The grant will be paid over a period of 30 years but delivery of the housing will take place in the first few years of the 30 year period.

“**non executive board members**” are those members of the board who do not also hold an executive management team role.

“**recycled capital grant fund**” means the cumulative amount, less amounts used or repaid, of recoverable capital grant retained by a RSL within its own finances to be

used (in accordance with a determination under section 27(2) of the Housing Act 1996) in place of Capital Grant for eligible uses.

“Registered Social Landlord” (“RSL”) means a body registered with the Welsh Ministers under Part 1 of the Housing Act 1996.

“housing let for a social purpose” means all homes for letting at below market rent or low-cost home ownership and associated amenities and services, for people whose personal circumstances make it difficult for them to meet their housing needs in the open market.

“social housing” means general needs and sheltered accommodation.

“supported housing” means accommodation where an individual holds a RSL tenancy at the same time as receiving support provided by the RSL or another organisation under the terms of a formal arrangement. The term ‘supported housing’ applies to purpose designed or designated supported housing. The delivery of support under the Supporting People framework does not necessarily result in the categorisation of housing as supported if the property is not purpose designed or designated for a particular client group.

“GAAP” includes all Acts of Parliament, Statutory Instruments, Financial Reporting Standards issued by the Financial Reporting Council (“FRC”) and FRC Abstracts, regulating the preparation of financial statements in the UK.

“undertaking” has the same meaning as in section 1161(1) of the Companies Act 2006.

“unit” means, in the case of supported accommodation or a hostel, one bedspace, and in any other case, a dwelling.

“void losses” means income lost as a result of a unit which is available for letting but which has not been let.

For any terms which are not defined above refer to the extant SORP and Financial Reporting Standards.

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