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**THE LEASEHOLD ADVISORY SERVICE  
ANNUAL REPORT AND ACCOUNTS FOR 2015-16**

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## COMPANY INFORMATION

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### **Board:**

The Leasehold Advisory Service is governed by a Board appointed by the Secretary of State for the Department for Communities and Local Government (DCLG).

Chair: Roger Southam (from 1 January 2015)  
Members: Geneviève Mariner  
John May  
Nicola Mullany  
Steven Jackson  
Margaret Longden\*  
\* Resigned on 11 January 2016

Lease Conferences Ltd is governed by a Board composed of the same members.

The Board is advised by an Audit Committee and a Remuneration Committee.

### **Audit and Risk Assurance Committee:**

Chair: Steven Jackson  
Members: Geneviève Mariner\*  
John May  
Nicola Mullany  
\* reserve member

### **Remuneration Committee:**

Chair: Roger Southam  
Members: Geneviève Mariner  
John May  
Nicola Mullany  
Steven Jackson  
Margaret Longden

### **Chief Executive and Company Secretary:**

Anthony Essien is Chief Executive and Company Secretary and runs both the Leasehold Advisory Service and Lease Conferences day-to-day.

### **Interests:**

Board members' interests are registered with the Company Secretary.

**Auditors:** MacIntyre Hudson LLP

**Bankers:** HSBC Bank plc

**Website:** [www.lease-advice.org](http://www.lease-advice.org)

**Registered office:** Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX (from 1 July 2014)  
Telephone: 020 7832 2500 Fax: 020 7832 2529 Email: [info@lease-advice.org](mailto:info@lease-advice.org)

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## CHAIR'S FOREWORD

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When I was appointed Chair of LEASE, I was presented with a challenge: to change the organisation from government funded to self-financing over my five year appointment. What I inherited was a great team and a great board. I am pleased to say that with the tireless work of all sides we are seeing the evolution to effect the changes necessary to enhance our service delivery.

LEASE exists to give an initial advisory service and educate the leasehold market place. As an arm's length body to DCLG it is vital we remain impartial and operate within the framework that exists whilst highlighting areas where changes would improve the market. This is a careful path to tread and we have found our critics as well as our supporters. As Donald Rumsfeld said, "If you are not criticised, you may not be doing much" and we are doing a lot.

We have gone through the Competitions & Markets Authority report on leasehold and played an active part in the delivery of buyer information on leasehold as well as producing a guide on redress systems to aid leaseholders to know the most appropriate action to take should they need to.

The board are indebted to the staff and their commitment. We are all working together to improve service delivery and effect the changes necessary for the organisation. We are excited about the future and look forward to making sure we deliver the best service for all.



*LEASE's Chairman welcoming delegates to LEASE's Annual Conference*

**Roger Southam**  
**Non-executive Chair, Leasehold Advisory Service**  
**30 April 2016**

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## CHIEF EXECUTIVE'S REPORT

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In the last 12 months LEASE assisted more customers than ever before across leasehold and park homes. Almost 850,000 customers benefited from our free advice channels. As last year, the bulk of that service was delivered through our website. This is a highly commendable effort from all our staff, advisory and administrative, not only for the popularity of the website; but also because our team delivers commercial services whilst simultaneously facing the challenge of addressing advice demand estimated at almost 50,000 calls, and 10,000 emails each year alone. Almost 31,000 enquiries were addressed during the year and nearly £250,000 generated to support the provision of free advice and other services.

This was a year of heightened challenges due to turnover amongst staff. To address this we continued to leverage technology to provide initial advice by automated FAQs for email enquiries; and introduced a filter system later in the year to mitigate the effect of the loss of advisers and the period for new advisers to be fully inducted. These adjustments, and the sheer effort of our staff, are what led to a 15% increase in customers assisted through all our channels.



LEASE Chief Executive Anthony Essien

The year just gone was also one of planning and preparing for the future, in that we set a direction for ourselves to be self-funding by 2020, and instigated the first of a range of new fee-based services to help get us there.

Writ large on that planning and preparing is our new website. Our plans will come to fruition in the first quarter of 2016-17, and they will make our digital service more straightforward. The website will be more convenient and compatible with how users access our large collection of leasehold and park homes information and provide a much improved user journey, in keeping with the Government's digital strategy of focusing on user need. LEASE offers more free services now than when our site was first developed and is increasingly looking for ways to deliver more of our service online.

Our leasehold customers assisted us during the year by helping to review our online guides to improve their accessibility for all readers, and I thank these 'armchair reviewers' for all their help. The guides included *Collective Enfranchisement – Getting Started*; *Living in Leasehold Flats*; *Service Charges*; *Right to Manage and Security of Tenure*; and *Participation Agreements*.

For park homes customers, we added 11 articles on topics that included buying and selling a park home and protection against harassment on a residential site. Five free podcasts were added for park homes covering utility charges, site licensing and site rules.

For our Welsh customers – and we are grateful for the support of the Welsh Government – we continued our initial advice service by telephone and correspondence and also held an advice surgery in Cardiff in March. A Welsh language version of our new guidance, *Things to know before you buy a flat*, was published on the Wales portal. We also published a short article on the changes in right to buy discount in Wales, and supported Community Housing Cymru's leaseholder networks.

Finally, 2015-16 was, as mentioned above, a year of departures but also one of welcoming new colleagues and friends to LEASE. Whilst I want all who have left us to know how grateful I am for their work, I do want to pay particular thanks to Audrey Minton, who retired as our Head of Office Services. Audrey's work and dedication over almost seven years has been crucial in putting LEASE in a position to take our next big step to self-funding to ensure the future of free advice.

**Anthony Essien**  
**Chief Executive**  
**30 April 2016**

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## WHO WE ARE AND WHAT WE DO

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### Who we are

The Leasehold Advisory Service is an Executive Non-Departmental Public Body (NDPB) whose principal sponsor is the Department for Communities and Local Government (DCLG). The Welsh Government (WG) also provides grant funding.

The Leasehold Advisory Service works at 'arm's length' from government as an independent organisation. The Leasehold Advisory Service owns a subsidiary, Lease Conferences Limited, which provides conferences and training and some advertising opportunities primarily to leasehold professionals.

### What we do

We help everyone in England and Wales on residential leasehold and park home issues by providing free initial legal advice, information and other services including training. Customers include leaseholders, park home owners and landlords (lessee-owned and managed).

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## SOME CUSTOMER COMMENTS ON OUR IMPACT

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### Right to Manage responsibilities

Deirdre owns a flat in a block in London. The residents have struggled for the last two years to take over the management of the building with the Right to Manage, obtaining advice from LEASE along the way. Deirdre's most recent contact with LEASE concerned the actions an RTM company can and cannot do. How do they get work done on the building? Can they give one of the flats a lease extension?

The LEASE adviser explained the consultation process that has to be followed for major work on the building. He also explained that lease extensions are still the responsibility of the freeholder, and the RTM company is not involved.

Deirdre wrote to Anthony Essien, LEASE Chief Executive, saying:

*'I write to you to thank you and all your staff who have helped us over the last two years to set up our Right to Manage Company. Since then they have continued to give us so much guidance and good advice.*

*We couldn't have done this without your advice. From me and my co-director, a very big 'Thank You'.*

*This morning I spoke to an adviser and was very impressed with his clear understanding of the issues we spoke about and the friendly and helpful way he dealt with my enquiries.*

*Please convey our gratitude to all of your staff.'*

### Management: Not providing details of freeholder

Deborah owns a leasehold house in Bolton, Greater Manchester. She contacted LEASE with concerns about the managing agent possibly overcharging ground rent. She wanted to contact the freeholder to inform them, but the managing agent refused to provide contact details.

The LEASE adviser told Deborah that under the law there is an obligation on the managing agents to supply the name and address of the landlord. The request must be made in writing. If they fail to comply with this obligation then they may have committed an offence punishable by a fine.

The adviser also discussed possible ways to take action when faced with a poor managing agent, including complaining to the managing agent (and if unable to resolve the issue, complaining to the redress scheme to which the managing agent belongs), exercising the right to manage and buying the freehold.

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## SOME CUSTOMER COMMENTS ON OUR IMPACT (continued)

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Deborah said, *'What I got back from you was absolutely solid advice which I was able to use effectively. My issue was resolved very quickly as a result.'*

### **Right to Manage – freeholder's fees**

John owns a flat in a block in Swindon. He was applying for the Right to Manage, with the other residents, in order to take over the management of the building.

John sent the RTM claim to the freeholder's address, but the claim was rejected by the freeholder's solicitor. The freehold had been transferred to another company, so the RTM claim to the previous freeholder was invalid. The company, the new freeholder, had a registered address that was the same as that of the previous freeholder. Not only was the claim rejected, but the solicitor charged a fee of £1,000 for dealing with the claim.

The LEASE adviser explained that the law sets out the obligations of a RTM company for 'reasonable costs' incurred by the parties on whom the claim notice is served. This can include a freeholder, or a manager appointed to the premises, but it does NOT include a previous freeholder. Therefore there would not be any liability to pay the 'costs'.

John said, *'When we informed the freeholder's solicitor they relented'*.

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## PERFORMANCE

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### 1 Our customers

#### 1.1 Online customers

The number of customers helped has grown by almost a fifth to over 816,000. The bulk of those customers are in London and the South East as customers from other regions remain stable at 43%.

Over 900,000 booklets were downloaded during the year, a 15% rise on 2014-15, and this is an indication of the success of our strategy to drive traffic from our telephone service to our website.

During the year we added two more podcasts to our free library on House enfranchisement (June 2015) and the Right to Buy (September 2015). Customers can now access over 30 free podcasts ranging across alterations, advice about the First-tier tribunal (Property Chamber) (FTT), company law for residential management companies and forfeiture to name a few.

Building on our online guidance, '*Understanding your lease*', we worked with a wide group of residential organisations on new simple guidance for prospective purchasers of flats: '*Things to know before you buy a flat*'. This one page guidance, and its two-page supplement, '*Thinking of buying a flat*', give key information for prospective leaseholders to understand their obligations when buying a leasehold property. Points addressed include defining leasehold, service charges, sinking funds and the role of managing agents.

The Housing Minister, Brandon Lewis said:

*'We want to help anyone who works hard and aspires to own their own home to turn that dream into a reality.*

*For many first-time buyers that means buying a leasehold home, and I want to ensure that prospective buyers can take those steps in confidence and be aware of the financial commitments they are entering – and have the information at their fingertips.*

*I welcome this information leaflet which sets how out we can do this and support leaseholders, so people know their rights and the service they should expect to receive before buying their homes.'*

The guidance sheet is also published on the consumer section of the Property Ombudsman's website and forms part of the Assured guidance published in their members section.

We continued our quarterly newsletter service to subscribers throughout the year and they received information about developments in the sector and about LEASE.

Table 1 Online customers

	2015-16	2014-15	%+/-
Unique visitors	<b>816,420</b>	702,184	+16%
% from outside London & the Southeast	<b>43</b>	43	–
Booklet downloads	<b>916,892</b>	798,841	+15%

#### 1.2 Customers via other channels

Demand remains high too for our traditional advice channels, and we assisted over 21,000 customers by telephone, email and face-to-face meetings. Whilst this and the total number of enquiries completed during the year are lower than in 2014-15, our output is improving following turnover in adviser staff at the end of 2014-15 and during 2015-16. More detail of our assistance can be seen in the Annex.



## PERFORMANCE

Table 2 Customers via other channels

Channel	2015-16	2014-15	%+/-
Telephone	<b>20,133</b>	25,498	-21%
Email/letter	<b>10,261</b>	11,863	-14%
Personal appointment	<b>529</b>	691	-23%
Total customers*	<b>21,099</b>	24,798	-15%
<b>Total enquiries</b>	<b>30,923</b>	<b>38,052</b>	<b>-19%</b>

\* Totals are less than the sum of the channels as customers sometimes contact us via more than one channel. Totals are actual customer numbers.

Over 120 enquiries were addressed during our 77 outreach sessions across the country.



Our adviser Ana Kandri at a leasehold outreach session.

### 1.3 Wales

With the local-based adviser project coming to its end, we reverted to the adviser-based-in-London model. As mentioned above, staff turnover challenges impacted on our service here too. Nevertheless, it is pleasing to report that more customers from Wales accessed our website with its Wales-specific information; this included the creation of a Welsh language version of 'Things to know before you buy a flat'.

In July 2015, we published a short article on the changes in the Right to Buy discount in Wales. From 14 July 2015, in Wales only, the maximum discount for a council or housing association tenant to purchase their home under the Right to Buy and Right to Acquire changes, reducing the maximum discount from £16,000 to £8,000.

In January 2016, we supported Community Housing Cymru's leaseholder network in Llandrindod Wells; and in March we held an advice surgery in Cardiff for leaseholders.

Finally, we assisted BBC Wales's X-Ray consumer programme during its investigation of leasehold enfranchisement of houses in Wales

## PERFORMANCE

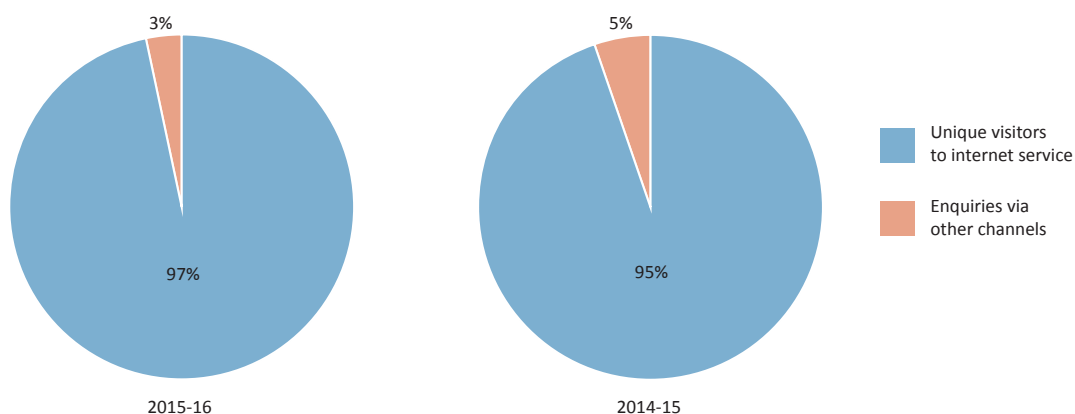


Figure 3 Examples of Wales service

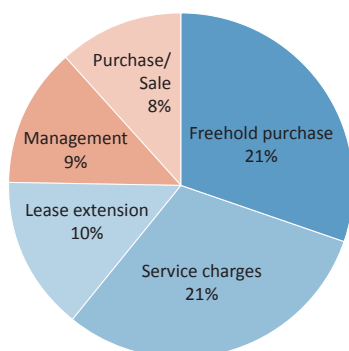


Figure 4 The top 5 enquiry subjects in Wales 2015-16

### 1.4 Park Homes

Our park homes service has continued its strong progress. Almost 2,500 enquiries were addressed by our advisers during the year, a rise of 15% over 2014-15.

During the year our work in the community, local to home owners and others, continued with 36 outreach events conducted across England in counties that included Warwickshire, Essex, Hampshire, Rutland and Lincolnshire.

We contributed 11 articles during the year to *Park Homes & Holiday Caravan* magazine on a range of subjects; and two new podcasts on utility charges and site licensing.

The House of Commons Library published a briefing paper on Mobile (Park) Homes. In it, the current state of the law is summarised and the recent history prompting new legislation in 2013. The brief also alerts readers that advice on park homes is provided by LEASE.



Our park homes adviser, Manjit Rai, at an outreach session.

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## PERFORMANCE

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### 1.5 Lease Conferences and supporting front line services

Our commercial activities through Lease Conferences Ltd, the fee-paying advice line for professionals, FTT decision subscription service, training, webinars and our annual conference contributed income which helped fund all our free frontline leasehold services.

### 1.6 2016 Annual Conference

LEASE held its 14th Annual Conference on 2nd February 2016 with the Etc. Conference centre in Aldersgate continuing as its London home for the third year. Delegates, including leaseholders, and sponsors had a day – and evening – full of advice, information, debate and discussion on matters legal, valuation and property management related. Almost 300 attendees were present to hear the daytime plenaries, and highly interactive breakout sessions, from a wide range of speakers. The variety of the content is the mark of the LEASE conference; it brings professionals and their cross-cutting leasehold issues, whether private or social sector leasehold, all together in one place.

The day's closing plenary saw the Chief Executive set out LEASE's vision for the year 2020. A stimulating panel session followed with Philip Rainey QC, Sebastian O'Kelly, Mark Hayward, Steve Michaux and Anthony Essien addressing questions and discussion ranging from regulation and Commonhold to the private rented sector's future.

In the evening, for the third year running at our Annual Conference, LEASE held our Leaseholder Conference and we welcomed over 100 leaseholder delegates for breakout sessions and advice surgeries.



*Lease Annual Conference 2016*



*Our adviser Alero Orimoloye leading a breakout session at the 2016 Conference*

### 1.7 Working with others

We were pleased to be able to work with organisations representing leaseholders including Engage Liverpool, Federation of Private Residents Associations (FPRA), Leasehold Knowledge Partnership (LKP) and the Home Owners Alliance.

It is also pleasing to report that we worked with RICS and IRPM to begin developing the Residential Information Training Alliance, what has come to be called 'Educating RITA'. The intention is to have a coordinated strategy better to educate the residential leasehold sector on rights, responsibilities and roles in all areas of leasehold. To do this means that we develop an online portal under [www.leaseholdlearning.org](http://www.leaseholdlearning.org) with its training and learning content in easy bite-size chunks with video, quizzes and engaging media. A combination of online toolkits should make the information accessible, fun and inviting.

## PERFORMANCE

We responded to the Ministry of Justice consultation paper on further fees proposals for divorce proceedings, possession claims and general applications in civil proceedings; and the Law Commission’s consultation on ‘event fees’ in retirement leasehold.

LEASE is represented by the Chief Executive on the Civil Justice Council’s Working Group considering the distribution of jurisdictions in landlord and tenant, property and housing disputes. We have supported the generation of the recommendations on:

- (a) the benefits, if any, in making changes in the way landlord and tenant, property and housing disputes are resolved in the Court and the Tribunal; and
- (b) the likely impact of such changes, with particular focus on resource and access to justice issues.

In November 2015, the House of Commons library published a briefing paper entitled '*Leaseholders in Social Housing: paying for major works (England)*'. The paper sought to outline the assistance available to social sector leaseholders and goes on to discuss efforts to strengthen their rights and the various government responses. Notably, it refers and links to LEASE’s online guide on Section 20 and the public sector and our commentary on the outcome of the Supreme Court’s decision in the ‘Daejan’ case. There is also reference to the Social Sector Working Party (SSWP), chaired by LEASE and the report LEASE delivered to Government in 2007 at the conclusion of SSWP’s work.

## 2 Quality of service

### 2.1 Customer complaints and compliments

Ten complaints were received during the year and 79 compliments.

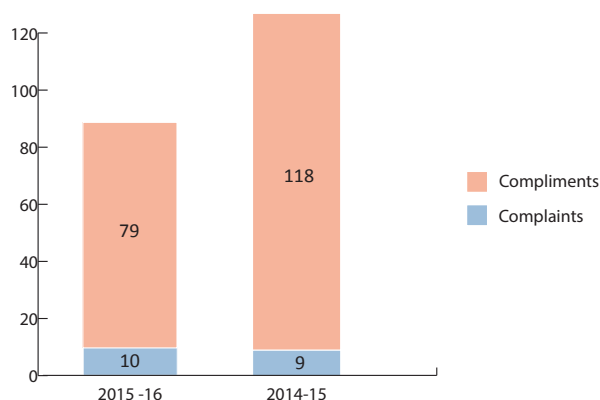


Figure 5 Customer feedback

### 2.2 Performance and outcome ratings

Our surveys by channel continued in 2015-16 and the results are set out below.

Table 6 Customer enquiries by channel

Survey	2015-16	sample size	2014-15	sample size
Telephone service	<b>4.5 out of 5.0</b>	201	4.6 out of 5.0	206
Email service	<b>4.4 out of 5.0</b>	675	4.5 out of 5.0	952
Personal appointment	<b>4.9 out of 5.0</b>	19	4.8 out of 5.0	79

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## PERFORMANCE

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### 3.0 Where our leasehold and park homes customers come from and what they ask us

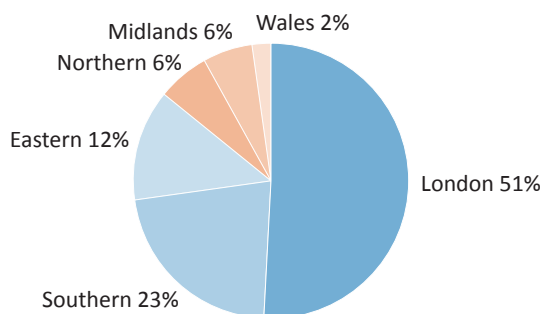


Figure 7 Leasehold - customer distribution by region

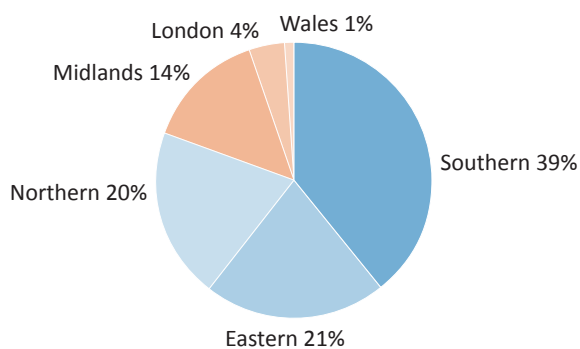


Figure 8 Leasehold - top customer enquiries

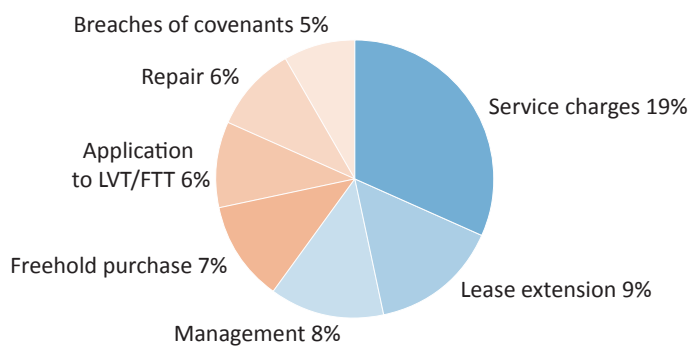


Figure 9 Park Homes - customer distribution by region

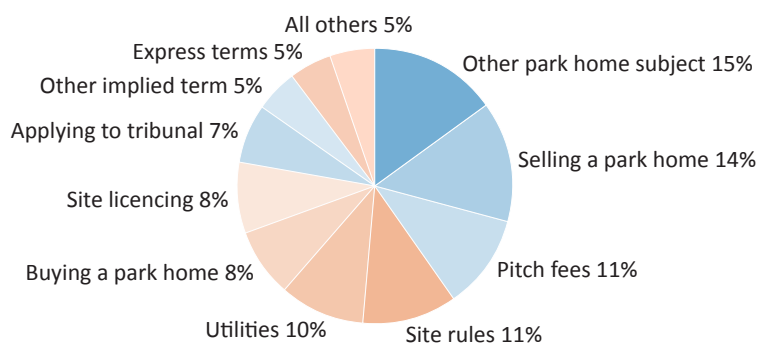


Figure 10 Park Homes - top customer enquiries



L E A S E

THE LEASEHOLD  
ADVISORY SERVICE

(A company limited by guarantee)

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### COMPANY INFORMATION

#### DIRECTORS

Mr S Jackson  
Ms G Mariner  
Mr J May  
Ms N Mullany  
Mr R Southam

#### COMPANY SECRETARY

Mr A Essien (Chief Executive and Accounting Officer)

#### REGISTERED NUMBER

03296985

#### REGISTERED OFFICE

Fleetbank House  
2-6 Salisbury Square  
London  
EC4Y 8JX

#### INDEPENDENT AUDITOR

MHA MacIntyre Hudson  
Chartered Accountants & Statutory Auditors  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ



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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2016

#### The Chairman presents his statement for the period.

The Leasehold Advisory Service (LEASE) is a company limited by guarantee registered at Companies House and an Executive non-departmental public body (NDPB). Funding is substantially by the Government, principally from the Department for Communities and Local Government (DCLG) supplemented by lesser amounts from the Welsh Government (WG). Application for payment of grant-in-aid is submitted on a quarterly basis and is monitored by DCLG and WG.

LEASE has no loans or contracts, other than the Memorandum of Terms of Occupation for its office premises held from BIS and minor leasing arrangements and maintenance contracts for office equipment, and there are no capital assets other than office, IT equipment and property improvements. LEASE has one subsidiary which is principally involved in arranging conferences, training courses and ancillary commercial activities for leasehold and park home professionals and resident management companies. The results of the subsidiary for the year are included in these consolidated financial statements. The financial statements on the following pages have been prepared in accordance with the Companies Act 2006 and the accounts direction given by the Secretary of State. The auditors appointed by the Board are MHA MacIntyre Hudson.

All surplus generated by LEASE's subsidiary, Lease Conferences Limited, which provides training, conferences and other commercial activities, for leasehold and park home professionals and resident management companies, is used to support the free advice service provided by LEASE.

#### Remuneration Report

Board Members are appointed by the Secretary of State in accordance with the relevant governing documents and guidance issued by the Office of the Commissioner for Public Appointments. The Board Members and Chief Executive are listed on the Company Information page. Board Members have corporate responsibility for ensuring that LEASE fulfils its aims and objectives and complies with any statutory or administrative requirements for the use of public funds.

The Board meets eight times a year, with the sponsoring officer at DCLG invited as an observer and to comment on Departmental issues and requirements. The Audit and Risk Assurance Committee, comprising three members of the Board, meets on the same cycle. A Remuneration Committee has been established and it meets annually. The Board is governed by the Code of Conduct agreed with the principal funding Department.

Under NDPB operational arrangements Board Members appointed by the Secretary of State are able to claim remuneration to a level set by the DCLG. Total remuneration paid for the year was £26,169. At the year end there were a total of 24 members of staff. The average number of staff during the year was 24.

The salaries for senior managers, as defined by the accounts direction issued by the Department, are set out below:

	2016	2015
Mr A Essien	£70,000-£75,000	£70,000-£75,000

The fees for Directors who served in the year are set out below:

	2016	2015
Mr D Sagar	–	£7,500-£10,000
Mr J Caffrey	–	–
Ms G Mariner	£0-£2,500	£0-£2,500
Mr J May	£0-£2,500	£1,500-£4,000
Miss N Mullany	£1,500-£4,000	£0-£2,500
Mr S Jackson	£2,500-£5,000	£1,500-£4,000
Mr R Southam*	£13,500-£16,000	£0-£2,500
Ms M Longden	£0-£2,500	£0-£2,500

\* The actual remuneration for Mr R Southam was £15,709.



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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

A budget is agreed by the Board at the beginning of each financial year. There are systems of control in place relating to expenditure and financial viability and third party liabilities.

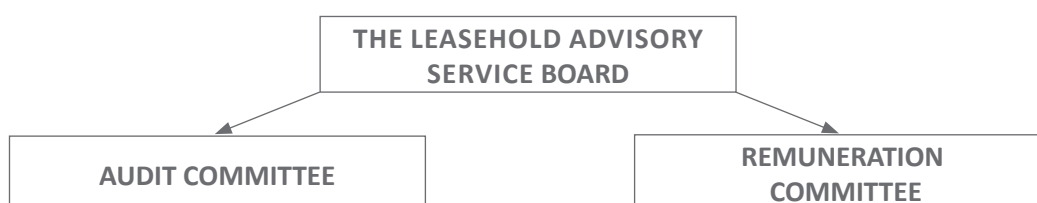
Over 65% of LEASE's expenditure is salaries; the remaining expenditure is authorised by the Accounting Officer and another senior manager. The organisation has a system in place requiring expenditure above a set level to be authorised by a Board member. This level is not disclosed for probity and anti-fraud reasons. There is no other delegation of authority for expenditure.

The annual grant-in-aid is paid quarterly, in advance. Quarterly expenditure is scrutinised by the Board and, separately, by DCLG, as the basis for the application for the payment of the grant in respect of the following quarter. The financial statements are audited annually in accordance with company legislation and approved by the Board.

For this spending review, indicative grant-in-aid has been set out by DCLG for the next five years. Externally, liability is limited to potential action by users of LEASE in terms of damages alleged to have been incurred as a direct result of defective advice provided. The company maintains professional indemnity. There is a user complaint policy and procedure in place accessible on the LEASE website.

#### Governance Statement of the Leasehold Advisory Service

Governance in the Leasehold Advisory Service and its associated company, Lease Conferences Limited, is the responsibility of the Board, which currently comprises five non-Executive Directors, including the Chair. As Chief Executive, I also act as the Accounting Officer, and I have personal responsibility for maintaining a sound system of internal control that supports the achievement of LEASE policies, aims and objectives, whilst safeguarding the public funds and departmental assets, in accordance with the responsibilities assigned to me in 'Managing Public Money'.



#### Governance Framework

LEASE is a non-departmental public body (NDPB) which is accountable to the Department for Communities and Local Government (DCLG) for the use of resources and performance. The relationship is set out in a Management Statement and Financial Memorandum that operate as framework documents and quarterly meetings attended by LEASE and DCLG officials are held to review performance, risks and the use of financial and other resources. To assist in the overall management of the organisation, during 2015-16 the Board approved a governance and delegation of authority framework, anti-fraud and publication policies.

The current Chairman was appointed by the Secretary of State for Communities and Local Government, for a five-year term of office in January 2015. The other members of the Board were appointed through open competition and each for a three year term. All Directors are required to complete a register of interests.

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

Name	Appointment date (R = Re-appointment date)	Term expires
Steven Jackson	30/03/2016 (R)	31/08/2020
Margaret Longden*	01/12/2014	10/04/2016
Genevieve Mariner	17/03/2015 (R)	16/03/2018
John May	01/08/2014 (R)	31/07/2017
Nicola Mullany	30/03/2016 (R)	30/06/2020
Roger Southam	01/01/2015	31/12/2019

\* Resigned on 11 January 2016

The Board's responsibilities are to provide leadership and strategic direction and supervise the overall management of LEASE activities.

The Board has two sub-committees:

- Audit and Risk Committee (ARC), with three non-executive members, which reviews the completeness, reliability and integrity of the assurance framework and advises the Accounting Officer and the Board. The Accounting Officer and representatives of DCLG, attend all meetings of the Committee.
- Remuneration Committee (RemCo), with six non-executive members, which determines pay and related matters, reviews performance appraisal frameworks and assists in the recruitment of senior staff.

The Board meets at least eight times a year, and the attendance records for the Directors for the year ending 31 March 2016, including for the Strategy Day, are set out below:

Name	Board meeting	Audit and Risk Committee	Rem Committee
Steven Jackson	8/8	6/6	1/1
Margaret Longden	2/8	2/6	0/1
Genevieve Mariner**	5/8	0/1*	0/1
John May	7/8	5/6	1/1
Nicola Mullany	6/8	4/6	0/1
Roger Southam	8/8	-	1/1

\*On 21 May 2015 the Board agreed to reduce membership of ARC from five to three with one Board member designated as a 'reserve'. The Chairman of the Board is not a member of the Committee.

\*\*Reserve member

In meeting its responsibilities, the Board has overseen the development of a Business Plan and Budget for the organisation and, through management reports and Board papers, monitored performance towards the achievement of both the plan and budget. With the support of the Audit Committee, it ensured that appropriate controls were in place and supported the Accounting Officer to achieve this.

At the time of writing, DCLG is conducting a triennial review of LEASE. The review is considering the following questions:

- Is the function performed by the body still a necessary one?
- Would the function be better performed within government?
- Would the function be better moved out of central government altogether?

The review will conclude shortly.

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### Assurance

ARC is responsible for reviewing and providing assurance to the Board on LEASE's internal controls, risk management systems, integrity of financial statements and for oversight of external audit. The Chief Executive and Head of Office Services attend the Committee's meetings. The Committee met six times in 2015/16.

The Board relies on a number of sources of assurance that LEASE is being well managed towards the achievement of its objectives and that appropriate controls are in place and working. These are:

- management reporting and key performance indicators, together with robust enquiry and discussion at Board meetings;
- detailed policies and operating procedures;
- regular consideration of the strategic and operational risks which LEASE and Lease Conferences Ltd faces;
- advice from the ARC; and
- external audit by independent auditors.

In its annual report to the Board, the Audit Committee stated that:

*'The Committee is content with the overall level of external audit coverage. In respect of arrangements for financial management and identification of risk, the Committee considers that with the outlook for LEASE, through its associated company Lease Conferences, being self-funding by 2020 then more external assurance on internal controls and risk management was felt appropriate. In addition, when internal audit is implemented, the adequacy of the separation of Risk Registers between LEASE and Lease Conferences, the generation of a Board Assurance and Risk Framework and plans for external audit and reports to ARC in 2016-17 will be assessed.'*

#### Risk Management

The system of internal control has been in place in LEASE for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts. The LEASE Board and ARC review the risk register for which the Accounting Officer is responsible. The risk register identifies the principal risks facing LEASE and classifies them according to level of risk, potential impact and measures in place to mitigate the risk. The register is reviewed at every meeting of the ARC.

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by the work of the auditors and the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. He has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the board, the Audit and Risk Committee.

#### Risk Appetite

During the year, the Board confirmed its appetite for risk as follows:

#### Financial

- There is no appetite for decisions that will have a significant negative impact on LEASE's long term financial sustainability

#### Data

- There is no appetite for non-compliance with legal, professional and regulatory requirements as regards customer data; or information and data security breaches.

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### Operations

- We have a low appetite for system failures.
- We have a medium appetite in terms of the operational risks associated with the implementation of change and key strategic plans.
- We have no appetite for internal fraud, collusion, theft and associated reputational risk.
- We have a low appetite for operational risks arising from failure to meet customer commitments and/or suitability of advice.
- There is considerable appetite for improvements to LEASE service delivery.
- There is considerable appetite for improved efficiency of LEASE operations.

#### Personnel

- There is no appetite for compromising LEASE staff safety and welfare.
- We have no appetite for risks arising from inadequately trained staff.
- We have a low appetite for failed internal processes.

#### Projects

- There is considerable appetite for projects that will:
- Have an impact on customers by solving their problems and/or raising standards.
- Generate new and more diverse sources of independent income.

#### Corporate governance

There is no appetite for decisions that have a significant negative impact on LEASE corporate governance. The most significant risks facing the organisation during the year have been:

- generating independent income through Lease Conferences Limited;
- managing a growing workload; and
- managing the triennial review.

The Board considers that satisfactory mitigation of these risks has been achieved by management through, inter alia, closely controlling expenditure of Lease Conferences Limited; trialling changes to the way advisers receive telephone enquiries and actively directing low-value telephone enquiries to the LEASE website; undertaking renewing the website and engaging with reviewers and DCLG sponsors about the triennial review, respectively.

#### Information Security

LEASE treats its data protection obligations seriously. User information is protected via firewall and other good practice measures on LEASE's internal network, data is regularly backed up both on and offsite and in accordance with the Data Protection Act and staff and Board members are trained annually in the provisions of the Act. No information security breaches were reported.

LEASE's system of internal control is designed to manage risk to a reasonable and proportionate level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively and economically.

**A Essien**

**Chief Executive and Accounting Officer**

**30 April 2016**

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## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

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### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016**

#### **INTRODUCTION**

The directors present their group strategic report for the year ended 31 March 2016.

#### **BUSINESS REVIEW**

The Group has exceptionally incurred a deficit of £5,112 during the year. This is largely a result of one off costs and is covered by reserves especially retained for such an eventuality. The directors' aim is to achieve a break-even financial position each year while balancing resource restraints against service levels. In this regard the directors consider that the results for the year are satisfactory.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The key risk to the Group is the continued funding following the up coming Spending Review as well as the revenue generated by its commercial subsidiary. This is dealt with in more detail in the Governance Statement.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

The directors consider the level of turnover, together with the ability to achieve a break even financial result, to be the key financial performance indicator. Given the reduction in core funding otherwise referred to in this report the directors consider the small deficit to be a satisfactory performance.

#### **OTHER KEY PERFORMANCE INDICATORS**

The directors consider the number of customers served through all channels, their range across England and Wales and the quality of services offered to be the key performance indicators. An additional indicator is the level of commercial revenue income generated from its subsidiary to provide free services to leaseholders.

This report was approved by the board and signed on its behalf.

**Mr R Southam**  
**Director**  
**30 April 2016**

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

#### PRINCIPAL ACTIVITIES

The principal activity of the Group in the year was that of the provision of advice to the public on residential leasehold and park homes and arranging conferences, training courses and other commercial products for leasehold professionals.

#### RESULTS

The loss for the year, after taxation, amounted to £5,112 (2015 - profit £15,487).

#### DIRECTORS

The directors who served during the year were:

Mr S Jackson  
Ms G Mariner  
Mr J May  
Ms N Mullany  
Mr R Southam

Ms M Longden resigned on 11/01/2016.

#### POST BALANCE SHEET EVENTS

There have been no significant events affecting the Group since the year end.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016 (continued)

#### MATTERS COVERED IN THE STRATEGIC REPORT

Details regarding the Group's future developments and principal risks and uncertainties have been included in the Group Strategic Report.

#### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor are aware of that information.

This report was approved by the board and signed on its behalf.

**Mr R Southam**

**Director**

**30 April 2016**

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## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEASEHOLD ADVISORY SERVICE**

We have audited the financial statements of The Leasehold Advisory Service for the year ended 31 March 2016, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

- In our opinion the financial statements:
- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.



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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEASEHOLD ADVISORY SERVICE (continued)

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Rakesh Shaunak FCA (Senior statutory auditor)**

for and on behalf of:

#### **MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors  
New Bridge Street House  
30-34 New Bridge Street  
London EC4V 6BJ

**30 April 2016**

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
	Note	£	£
<b>TURNOVER</b>		<b>1,475,410</b>	1,520,932
<b>GROSS PROFIT</b>		<b>1,475,410</b>	1,520,932
Administrative expenses		<u><b>(1,481,648)</b></u>	<u>(1,506,419)</u>
<b>OPERATING LOSS/(PROFIT)</b>		<b>(6,238)</b>	<b>14,513</b>
Interest receivable and similar income	8	<u><b>1,213</b></u>	<u><b>1,076</b></u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(5,025)	15,589
Tax on (loss)/profit	9	<u><b>(87)</b></u>	<u><b>(102)</b></u>
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<u><u><b>(5,112)</b></u></u>	<u><u>15,487</u></u>
<b>Total comprehensive income for the year</b>		<u><u><b>(5,112)</b></u></u>	<u><u>15,487</u></u>
(Deficit)/surplus retained in the Parent Company		<u>(5,112)</u>	<u>15,487</u>
		<u><u><b>(5,112)</b></u></u>	<u><u>15,487</u></u>

The notes on pages 32 to 42 form part of these financial statements.

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

		2016		2015	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		<b>73,922</b>		89,215
			<b>73,922</b>		89,215
<b>CURRENT ASSETS</b>					
Debtors:					
amounts falling due within one year	13	<b>98,857</b>		107,536	
Cash at bank and in hand	14	<b>309,470</b>		418,426	
		<b>408,327</b>		525,962	
<b>CREDITORS:</b>					
amounts falling due within one year	15	<b>(160,423)</b>		(281,199)	
<b>NET CURRENT ASSETS</b>			<b>247,904</b>		244,763
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>321,826</b>		333,97
<b>CREDITORS:</b> amounts falling due					
after more than one year	16		<b>(54,904)</b>		(61,944)
<b>PROVISIONS FOR LIABILITIES</b>					
<b>NET ASSETS EXCLUDING PENSION ASSET</b>			<b>266,922</b>		272,034
<b>NET ASSETS</b>			<b>266,922</b>		272,034
<b>CAPITAL AND RESERVES</b>					
Other reserves	18		<b>228,642</b>		233,754
Profit and loss account	18		<b>38,280</b>		38,280
<b>ATTRIBUTABLE TO THE PARENT COMPANY</b>			<b>266,922</b>		<b>272,034</b>
			<b>266,922</b>		<b>272,034</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf.

**Mr R Southam**  
**Director**  
**30 April 2016**

The notes on pages 32 to 42 form part of these financial statements.

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	11		<b>73,922</b>		89,215
Investments	12		<b>1</b>		<b>1</b>
			<b>73,923</b>		89,216
<b>CURRENT ASSETS</b>					
Debtors:					
amounts falling due within one year	13	<b>208,716</b>		347,287	
Cash at bank and in hand	14	<b>111,688</b>		<b>122,804</b>	
		<b>320,404</b>		470,091	
<b>CREDITORS:</b> amounts falling due within one year	15	<b>(110,781)</b>		<b>(263,609)</b>	
<b>NET CURRENT ASSETS</b>			<b>209,623</b>		<b>206,482</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>283,546</b>		295,698
<b>CREDITORS:</b> amounts falling due after more than one year	16		<b>(59,904)</b>		<b>(61,944)</b>
<b>NET ASSETS</b>			<b>228,642</b>		<b>233,754</b>
			<b>228,642</b>		<b>233,754</b>
<b>CAPITAL AND RESERVES</b>					
Other reserves	18		<b>228,642</b>		<b>233,754</b>
			<b>228,642</b>		<b>233,754</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf.

**Mr R Southam**  
**Director**  
**30 April 2016**

The notes on pages 32 to 42 form part of these financial statements.

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2016

	Other reserves	Retained Earnings	Attributable to Parent Company	Total Equity
	£	£	£	£
At 1 April 2015	233,754	38,280	272,034	272,034
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Deficit for the year	-	(5,112)	(5,112)	(5,112)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	(5,112)	(5,112)	(5,112)
Transfer to profit and loss account	-	5,112	5,112	5,112
Transfer between other reserves	(5,112)	-	(5,112)	(5,112)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	(5,112)	(5,112)	-	-
At 31 March 2016	<u>228,642</u>	<u>38,280</u>	<u>266,922</u>	<u>266,922</u>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2015

	Other reserves	Retained Earnings	Attributable to Parent Company	Total Equity
	£	£	£	£
At 1 April 2014	218,267	38,280	256,547	256,547
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Surplus for the year	-	15,487	15,487	15,487
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	15,487	15,487	15,487
Transfer to profit and loss account	-	(15,487)	(15,487)	(15,487)
Transfer between other reserves	15,487	-	15,487	15,487
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	15,487	(15,487)	-	-
At 31 March 2016	<u>233,754</u>	<u>38,280</u>	<u>272,034</u>	<u>272,034</u>

The notes on pages 32 to 42 form part of these financial statements.

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2016

	Other reserves	Retained Earnings	Total Equity
	£	£	£
At 1 April 2015	233,754	–	233,754
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Deficit for the year	–	(5,112)	(5,112)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	–	(5,112)	(5,112)
Transfer to profit and loss account	–	5,112	5,112
Transfer between other reserves	(5,112)	–	(5,112)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	(5,112)	5,112	–
At 31 March 2016	<u>228,642</u>	<u>–</u>	<u>228,642</u>

### COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2015

	Other reserves	Retained Earnings	Total Equity
	£	£	£
At 1 April 2014	218,267	–	218,267
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Deficit for the year	–	15,487	15,487
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	–	15,487	15,487
Transfer from profit and loss account	–	(15,487)	(15,487)
Transfer between other reserves	15,487	–	15,487
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	15,487	(15,487)	–
At 31 March 2015	<u>233,754</u>	<u>–</u>	<u>233,754</u>

The notes on pages 32 to 42 form part of these financial statements.

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficit for the financial year	(5,112)	15,487
<b>Adjustments for:</b>		
Depreciation of tangible assets	17,905	24,462
Interest received	(1,213)	(1,076)
Taxation	87	102
Increase in debtors	8,678	(45,679)
Increase/(decrease) in creditors	(127,815)	270,819
Corporation tax	(87)	(102)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b><u>(107,557)</u></b>	<b><u>264,013</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(2,612)	(103,240)
Interest received	1,213	1,076
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b><u>(1,399)</u></b>	<b><u>(102,164)</u></b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	<b>(108,956)</b>	161,849
Cash and cash equivalents at beginning of year	418,426	256,577
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b><u>309,470</u></b>	<b><u>418,426</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	309,470	418,426
	<b><u>309,470</u></b>	<b><u>418,426</u></b>

The notes on pages 32 to 42 form part of these financial statements.

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# DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

#### 1.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ('the Group') as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### 1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable. Income represents grant income and amounts receivable from arranging conferences and the provision of training. Grant income is principally from the DCLG supplemented by a lesser amount from the Welsh Government.

##### Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Comprehensive Income over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Comprehensive Income as the related expenditure is incurred. The unamortised deferred income relating to the government grant is £64,453 of which

£9,549 is shown in creditors due within one year and the remainder shown as creditors due after one year.

#### 1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group.



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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### 1. ACCOUNTING POLICIES *(continued)*

The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Short term leasehold property	Over the lease life
Fixtures and fittings	3 years straight line
Computer equipment	3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Consolidated Statement of Comprehensive Income.

#### 1.5 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

#### 1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 1.9 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out- right short-term loan not

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### 1. ACCOUNTING POLICIES *(continued)*

at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

##### 1.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 1.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

#### 2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

There are not considered to be any significant judgments in dealing with the numerical aspects of these financial statements. However the financial statements have been prepared on the going concern basis and although this is considered appropriate in this case, matters relating to this judgment have been detailed further in the operating and financial review.

#### 3. ANALYSIS OF TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover by class of business is as follows:

	2016	2015
	£	£
Training and Conferences	239,890	298,445
Communities and Local Government	1,106,787	1,032,260

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### 3. ANALYSIS OF TURNOVER *(continued)*

Release of deferred capital grant	<b>18,139</b>	20,648
Welsh Government	<b>20,000</b>	70,000
Park Homes	<b>90,594</b>	99,579
	<b><u>1,475,410</u></b>	<b><u>1,520,932</u></b>

All turnover arose within the United Kingdom.

#### 4. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	<b>17,905</b>	24,462
Fees payable to the Group's auditor and its associates for the audit of the company's annual accounts	<b>7,500</b>	7,500
Operating lease rentals: plant and machinery	<b>4,309</b>	4,168
Defined contribution pension cost	<b><u>75,311</u></b>	<b><u>77,616</u></b>

#### 5. AUDITORS' REMUNERATION

	2016	2015
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	<b><u>7,500</u></b>	<b><u>7,500</u></b>

Auditor's fees for the company were £5,750 (2015 - £5,750).

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### 6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	824,607	824,813
Social security costs	83,852	79,479
Costs of defined contribution scheme	75,311	73,616
	<u>1,001,770</u>	<u>981,908</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
Chief executive	1	1
Professional advisers	18	16
Frontline support staff	3	3
Back office support staff	2	2
	<u>24</u>	<u>22</u>

#### 7. DIRECTORS' REMUNERATION

	2016	2015
	£	£
Directors' emoluments	26,169	19,231
	<u>26,169</u>	<u>19,231</u>

#### 8. INTEREST RECEIVABLE

	2016	2015
	£	£
Bank interest receivable	1,213	1,076
	<u>1,213</u>	<u>1,076</u>

#### 9. TAXATION

	2016	2015
	£	£
Corporation tax		
Current tax on profits for the year	87	102
<b>Total current tax</b>	<u>87</u>	<u>102</u>

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### 9. TAXATION *(continued)*

##### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016	2015
	£	£
(Loss)/profit on ordinary activities before tax	<u>(5,025)</u>	<u>15,589</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(1,005)	3,118
<b>Effects of:</b>		
Non-taxable income	<u>1,092</u>	(3,016)
<b>Total tax charge for the year</b>	<u><u>87</u></u>	<u><u>102</u></u>

##### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

#### 10. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The deficit of the parent Company for the year was £5,112 (2015 - profit £15,487).

#### 11. TANGIBLE FIXED ASSETS

	Short Term Leasehold Property	Fixtures and Fittings	Computer Equipment	Total
Group	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2015	168,058	60,103	89,722	317,883
Additions	—	—	2,612	2,612
<b>At 31 March 2016</b>	<u>168,058</u>	<u>60,103</u>	<u>92,334</u>	<u>320,495</u>
<b>Depreciation</b>				
At 1 April 2015	94,056	60,103	74,509	228,668
Charge for the year	9,549	—	8,356	17,905
<b>At 31 March 2016</b>	<u>103,605</u>	<u>60,103</u>	<u>82,865</u>	<u>246,573</u>
<b>At 31 March 2016</b>	<u>64,453</u>	—	<u>9,469</u>	<u>73,922</u>
At 31 March 2015	<u>74,002</u>	—	<u>15,213</u>	<u>89,215</u>

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### 11. TANGIBLE FIXED ASSETS *(continued)*

The net book value of land and building may be further analysed as follows:

	2016	2015
	£	£
Short leasehold	<u>64,453</u>	<u>74,002</u>
	<u><u>64,453</u></u>	<u><u>74,002</u></u>

Company	Short Term Leasehold Property	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2015	168,058	60,103	89,722	317,883
Additions	—	—	2,612	2,612
<b>At 31 March 2016</b>	<u>168,058</u>	<u>60,103</u>	<u>92,334</u>	<u>320,495</u>
<b>Depreciation</b>				
At 1 April 2015	94,056	60,103	74,509	228,668
Charge owned for the period	9,549	—	8,356	17,905
<b>At 31 March 2016</b>	<u>103,605</u>	<u>60,103</u>	<u>82,865</u>	<u>246,573</u>
<b>At 31 March 2016</b>	<u><u>64,453</u></u>	<u><u>—</u></u>	<u><u>9,469</u></u>	<u><u>73,922</u></u>
At 31 March 2015	<u><u>74,002</u></u>	<u><u>—</u></u>	<u><u>15,213</u></u>	<u><u>89,215</u></u>

The net book value of land and building may be further analysed as follows:

	2016	2015
	£	£
Short leasehold	<u>64,453</u>	<u>74,002</u>
	<u><u>64,453</u></u>	<u><u>74,002</u></u>

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### 12. FIXED ASSET INVESTMENTS

##### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Lease Conferences Limited	UK	Ordinary	100 %	Conferences training and other commercial services to professionals and leasehold sector

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves
	£
	<b>38,280</b>
	<b>38,280</b>
<b>Company</b>	
	Investments in subsidiary companies
	£
<b>Cost or valuation</b>	
At 1 April 2015	1
<b>At 31 March 2016</b>	<b>1</b>
<b>Impairment</b>	
At 1 April 2015	-
Reversal of impairment losses	-
<b>At 31 March 2016</b>	<b>-</b>
<b>At 31 March 2016</b>	<b>1</b>
At 31 March 2015	1

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### 13. DEBTORS

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2016</b>	2015	<b>2016</b>	2015
	£	£	£	£
Trade debtors	<b>49,365</b>	29,572	<b>1,939</b>	938
Amounts owed by group undertakings	—	—	<b>157,692</b>	283,131
Other debtors	<b>20,338</b>	25,044	<b>19,931</b>	25,044
Prepayments and accrued income	<b>29,154</b>	52,920	<b>29,154</b>	38,174
	<u>98,857</u>	<u>107,536</u>	<u>208,716</u>	<u>347,287</u>

#### 14. CASH AND CASH EQUIVALENTS:

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2016</b>	2015	<b>2016</b>	2015
	£	£	£	£
Cash at bank and in hand	<b>309,470</b>	418,426	<b>111,688</b>	122,804
	<u>309,470</u>	<u>418,426</u>	<u>111,688</u>	<u>122,804</u>

#### 15. CREDITORS: Amounts falling due within one year

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2016</b>	2015	<b>2016</b>	2015
	£	£	£	£
Trade creditors	<b>68,189</b>	14,943	<b>43,352</b>	12,952
Taxation and social security	<b>36,464</b>	35,490	<b>36,464</b>	21,641
Accruals and deferred income	<b>55,770</b>	230,766	<b>30,965</b>	229,016
	<u>160,423</u>	<u>281,199</u>	<u>110,781</u>	<u>263,609</u>

#### 16. CREDITORS: Amounts falling due after more than one year

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2016</b>	2015	<b>2016</b>	2015
	£	£	£	£
Accruals and deferred income	<b>54,904</b>	61,944	<b>54,904</b>	61,944
	<u>54,904</u>	<u>61,944</u>	<u>54,904</u>	<u>61,944</u>



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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### 17. FINANCIAL INSTRUMENTS

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2016</b>	2015	<b>2016</b>	2015
	£	£	£	£
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>358,835</b>	447,998	<b>271,320</b>	406,874
	<u><b>358,835</b></u>	<u>447,998</u>	<u><b>271,320</b></u>	<u>406,874</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(68,189)</b>	(14,943)	<b>(43,352)</b>	(12,952)
	<u><b>(68,189)</b></u>	<u>(14,943)</u>	<u><b>(43,352)</b></u>	<u>(12,952)</u>

Financial assets measured at amortised cost comprise trade debtors, cash at bank investments and amounts owed to group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors and investments.

#### 18. RESERVES

##### Profit and loss account

The profit and loss account represents cumulative surpluses and deficits.

#### 19. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

#### 20. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £75,311 (2015: £77,616). Included in other creditors are £7,523 (2015: £6,659) of pension contributions outstanding at the year end.

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## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 *(continued)*

#### 21. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>£</b>	£	<b>£</b>	£
Not later than 1 year	<b>150,000</b>	–	<b>150,000</b>	–
Later than 1 year and not later than 5 years	–	150,000	–	150,000
	<u><b>150,000</b></u>	<u>150,000</u>	<u><b>150,000</b></u>	<u>150,000</u>

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>£</b>	£	<b>£</b>	£
Not later than 1 year	<b>4,080</b>	12,686	<b>4,080</b>	12,686
Later than 1 year and not later than 5 years	–	4,080	–	4,080
	<u><b>4,080</b></u>	<u>16,766</u>	<u><b>4,080</b></u>	<u>16,766</u>

#### 22. FIRST TIME ADOPTION OF FRS 102

This is the first year that the Group and the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014.

The policies applied under the previous accounting framework are not materially different from FRS 102 and have not impacted on the equity of the company or profit and loss for the year ended 31 March 2016.

## ANNEX A: ACHIEVEMENTS IN THE LAST 12 MONTHS

Although staff turnover amongst advisers made the last 12 months extremely challenging there were a number of achievements. These include:

- Almost 850,000 customers served online and through traditional channels.
- Our most popular guides were revised with the assistance of customers to ensure they were accessible as possible.
- The 2016 Annual Conference included our third leaseholder event and saw over 100 leaseholders in attendance.
- Our free newsletter continued to be published each quarter with commentary and advice on leasehold and park homes issues.
- Over 40 advice surgeries and workshops all across England and Wales for leasehold customers.
- A model mediation and early neutral evaluation service framed around an online application portal to reduce administration was developed with the National Leasehold Group (NLG); and NLG members began subscribing during 2015-16.
- Articles from LEASE were published regularly by FPR, *Flat Living*, *News on the Block* and *First Time Buyer* magazines.
- We published online and interactive guides on licensing and terms of agreement and site rules for our park home customers.
- 11 articles were published in *Park Homes & Holiday Caravan* magazine on a variety of topical park homes subjects.
- Developed a sales and marketing strategy to generate greater income to sustain the free advice service. This included the creation and launch of a fee-based FTT decision service and moving leasehold professionals to a fee-based telephone and written advice service.
- LEASE submitted responses to:
  - Ministry of Justice consultation paper on consultation on further fees proposals for divorce proceedings, possession claims and general applications in civil proceedings.
  - Law Commission consultation on 'event fees' in retirement leasehold; and
  - Supported the work of the Civil Justice Council's Working Group considering the distribution of jurisdictions in landlord and tenant, property and housing disputes.

Activity	Status
Provide an advice service by traditional channels.	Service continued throughout the year and we addressed 30,923 enquiries.
We will re-launch improved website by 30 December 2015.	Work commenced. Launch date revised to 27 May 2016.
We will implement a leasehold webchat service by 1 July 2015.	82 webchats completed. Service will be reinstated the first quarter of 2016-17.
We will revise top 10 advice guides by 30 September 2015.	<i>Section 20 Consultation public sector, Collective Enfranchisement – Getting Started, Living in Leasehold Flats, Service Charges, Right to Manage and Lease Extension - Getting Started Security of Tenure, Participation Agreements</i> all finished and reviewed for accessibility by volunteer customers.

## ANNEX A: ACHIEVEMENTS IN THE LAST 12 MONTHS

Activity	Status
We will continue LEASE@LVT service at London FTT throughout 2015-16.	Service continued at FTT with 323 enquiries addressed.
We will complete online guidance to help leaseholders resolve their service charge disputes by 30 September 2015.	Completed 26 April 2016.
We will complete online guide <i>Freehold vs. Leasehold conveyancing - the basics</i> by 30 September 2015.	This will be completed by 30 May 2016.
Conducting 30 advice surgery/local events by 31 March 2016.	41 conducted.
<p><b>Park homes advice in England:</b></p> <ol style="list-style-type: none"> <li>1. Provide and advice service by traditional channels</li> <li>2. Conducting 35 advice surgery/local events by 31 March 2016.</li> <li>3. Continue to build our online database of site license policies by English local authorities.</li> <li>4. Create interactive guides for (1) licensing (2) terms of agreement and site rules by 30 September 2015.</li> <li>5. Continue to host park home decisions of the First-tier Tribunal (Property Chamber) online.</li> </ol>	<ol style="list-style-type: none"> <li>1. Service continued throughout the year and we addressed 2,481 enquiries.</li> <li>2. 36 conducted.</li> <li>3. Ongoing as information from 115 local authorities listed is reviewed. Last upload 17 December 2015.</li> <li>4. Work complete and published in park homes portal on 17 December 2015.</li> <li>5. We continue to publish decisions regularly.</li> </ol> <p>In addition 11 articles published in <i>Park Homes &amp; Holiday Caravan</i> magazine.</p>
We will continue to publish an email newsletter for leasehold and park home customers.	The newsletter was published quarterly throughout the year.
We will continue to work with bodies representing leaseholders locally and nationally to inform and educate their members about their rights and obligations as leaseholders; and help solve their problems.	<p>LEASE advisers supported FPRA conference on 10 November with an advice surgery, and through our outreach service assisted leaseholder groups in places that included Telford, Manchester, Kettering, Chester, Plymouth and Hastings.</p> <p>LEASE's Chairman provided regular articles for FPRA, <i>Flat Living</i>, and <i>News on the Block</i> and <i>First Time Buyer</i> magazines during the year.</p> <p>LEASE attended roundtable meetings hosted by MPs Sir Peter Bottomley and Jim Fitzpatrick with LKP entitled:</p> <ul style="list-style-type: none"> <li>• A New Term - New Leasehold?</li> <li>• Legal Intervention - Confronting Leasehold and Leaseholders' Problems'.</li> </ul>
We will submit a business case to the National Leasehold Group (NLG) for their sponsorship of a mediation service for its members and their leaseholders.	By 31 March 2016, 10 NLG members had committed to subscribing to service in 2016-17 to help resolve disputes with their leaseholders without resorting to FTT or Court.
We will collaborate with National Leasehold Group to develop and implement a service that accredits leasehold training undertaken by Housing Associations in England.	To be progressed in 2016-17.

## ANNEX A: ACHIEVEMENTS IN THE LAST 12 MONTHS

Activity	Status
We will continue to support the Association of Retirement Housing Managers (ARHM), Royal Institute of Chartered Surveyors (RICS) and the Association of Residential Managing Agents (ARMA) in their work to raise standards.	<ol style="list-style-type: none"> <li>1. Think Tank session planned for 6 April 2016 for managing agents and their housing association customers. Aimed at improving relations between them and improving services for leaseholders.</li> <li>2. ARHM – regional training forums conducted in Taunton, London and North of England. Supported ARHM’s round table to discuss progress on the recommendations from the CMA’s report</li> <li>3. Webinar collaboration planned with RICS on 18 April 2016 entitled <i>Leasehold Enquiry Information Forms – a Guide for Selling Agents</i>.</li> <li>4. ‘Educating RITA’ project agreed with IRPM, RICS</li> </ol>
We will support the TPAS-Wates project developing a good practice guide for leaseholder engagement and involvement.	The guidance was completed and formally launched on 8 October 2015.
Provide reports, discussion papers, and responses to government consultations and developments in the sector’s environment as appropriate.	<p>Submitted responses to:</p> <ol style="list-style-type: none"> <li>1. Ministry of Justice consultation paper on consultation on further fees proposals for divorce proceedings, possession claims and general applications in civil proceedings.</li> <li>2. Law Commission consultation on ‘event fees’ in retirement leasehold.</li> </ol> <p><b>Other:</b> LEASE supported the work of the Civil Justice Council’s Working Group considering the distribution of jurisdictions in landlord and tenant, property and housing disputes.</p>
We will review prices for existing commercial services and look to make sensible changes for implementation during Q1*	Under review as part of the price strategy developing with marketing contractors.
We will begin to charge professionals for any advice provided by 30 September 2015*	<ol style="list-style-type: none"> <li>1. Phase 1, paid telephone and email advice for professionals, went live 9 December 2015. Phase 2, subscription service, in development for implementation in 2016-17.</li> <li>2. LEASE produced a report for a housing association identifying and assessing the risks to it in recovering service charges within its leasehold management processes.</li> </ol>
We will complete access to summarised FTT decisions based on payment of a fee by 30 July 2015*.	This service went live on 8 September 2015
We will recruit a marketing specialist to our team by 30 September 2015.	Contractor engaged to provide marketing and implementation plans for LEASE.

## ANNEX A: ACHIEVEMENTS IN THE LAST 12 MONTHS

Activity	Status
We will collaborate with Institute of Residential Property Management (IRPM) in the provision of online training courses for leaseholders, including Resident Management Companies with a certificate on completion of the course by 30 June 2015.	<ol style="list-style-type: none"> <li>1. Reviewing content for updating.</li> <li>2. 'Educating RITA' campaign agreed with IRPM, RICS and ARMA.</li> </ol>
Continue established training, webinar and conference services	<ol style="list-style-type: none"> <li>1. 11 webinars conducted</li> <li>2. 19 classroom training sessions conducted.</li> <li>3. 8 bespoke training/consultancy services conducted</li> <li>4. Successful conference held on 2 February 2016.</li> </ol>
We will, amongst other things, continue to review where shared services or GPS framework agreements can help to reduce other running costs.	Examining use of Skype (or similar online conferencing system) for outreach events instead of sending advisers
We will continue LEASE's Stakeholder Forum.	<ol style="list-style-type: none"> <li>1. Held forum on 16 December 2015.</li> <li>2. Focus group to identify our impact held on 10 September 2015.</li> </ol>
Conduct external customer service review of telephone and correspondence services by 30 September 2015.	Report submitted and plans to conduct light touch review in 2016-17.
Review external customer service accreditation requirements to prepare for seeking external accreditation in 2016-17 by 31 October 2015..	Researching accreditation providers delayed by competing priorities.
Target income from all commercial activities is *£274,650	Income from all commercial activities was £239,890.
We will ensure DCLG mandated spending restrictions and reporting requirements are met throughout the year.	Observed.
By 31 March 2016, to average 4.5 across all customer quality surveys.	Average remains 4.3 across all customer quality surveys
By 31 March 2016, to respond to 50% of enquiries requiring written advice within 5 working days and 75% within 15 working days.	<ul style="list-style-type: none"> <li>• 5 days: 31% (2014-15: 46%)</li> <li>• 15 days: 58% (2014-15 75%)</li> </ul>
By 31 March 2016, 770,000 customers served (745,000 online)	<ul style="list-style-type: none"> <li>• 837,519 <ul style="list-style-type: none"> <li>• 816,420 online</li> <li>• 21,099 traditional</li> </ul> </li> </ul>
By 31 March 2016, 80% of online customers to confirm they found what they were seeking on the website.	Survey results to the end of February confirm that 72% of online customers successfully found what they were seeking on the website.

\*Through Lease Conferences Limited

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## ANNEX B: ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE

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1. The financial statements of the Leasehold Advisory Service (hereafter in this accounts direction referred to as 'the Company') shall give a true and fair view of the profit and loss and the cash flows for the accounting year and the state of affairs at the year end. Subject to this requirement, the financial statements shall be prepared in accordance with:
  - (a) the accounting and disclosure requirements of the Companies Act 1985;
  - (b) United Kingdom Financial Reporting Standards and Statements of Standard Accounting Practice;
  - (c) any guidance that the Treasury may issue from time to time in respect of the annual accounts of non-departmental public bodies;
  - (d) any other specific disclosure requirements of the Secretary of State;

Insofar as these requirements are appropriate to the Company and are in force for the year for which the financial statements are prepared, and except where agreed otherwise with the Secretary of State or the Treasury, in which case the exception shall be described in the notes to the financial statements.

2. Schedule 1 to this direction gives clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards are also gives any exceptions to standard Treasury requirements. Additional disclosure requirements of the Secretary of State and further explanations of Treasury requirements are set out in Schedule 2.
3. This direction shall be reproduced as an appendix to the financial statements

### Schedule 1

1. The Company shall prepare an Operating and Financial Review in line with the recommendation of Reporting Statement Operating and Financial Review, to the extent that such requirements are appropriate to the Company.
- \*2. The financial statements shall contain a Remuneration Report in line with the requirements of section 234B and Schedule 7A of the Companies Act 1985 and of which purpose, all members of the management board shall be taken to be additional directors.
3. The Company's profit and loss account shall be in format 1 as set out in Schedule 4 to the Companies Act 1985, adapted where necessary to suit the special nature of the Company's business. The balance sheet shall be in format 1. In the balance sheet, totals shall be struck at 'Total assets less total liabilities'.
4. Freehold land and non-leased buildings held as fixed assets shall be stated at existing use value, or, for property of a specialised nature, at depreciated replacement cost. Other non-leased fixed assets shall be stated at net current replacement costs. All valuation bases as defined by the Royal Institution of Chartered Surveyors.
5. Stocks and work in progress shall be included in the balance sheet at the lower of estimated replacement cost and estimated net realisable value.
6. Expenditure in the profit and loss shall include a notional cost of capital, at 3.5% of the average net assets during the year. This amount shall be reversed after the line showing the surplus or deficit for the year.
7. The foreword and balance sheet be signed and dated on behalf of the board of directors and by the accounting officer.

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## ANNEX B: ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE

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### Schedule 2

Additional disclosure requirements:

The following information shall be disclosed in the notes to the financial statements, as a minimum, and in addition to the information required to be disclosed by paragraphs 1 and 2 of this direction.

- (a) An analysis of grants from:
  - (i) government departments
  - (ii) European Community funds
  - (iii) Other sources identified as to each source;
- (b) For grants from the Department for Communities and Local Government, the following information shall also be shown:
  - (i) the amount that the company is entitled to receive for the year
  - (ii) the amount received during the year
  - (iii) the amount released to the profit and loss account for the year
  - (iv) the amount used to acquire or improve fixed assets in the year
  - (v) movements on amounts carried forward in the balance sheetand the note should make it possible to reconcile any of the amounts in (i) to (v) above, to each of the other amounts;
- (c) An analysis of grants included as expenditure in the profit and loss account and a statement of the total value of grant commitments not yet included in the profit and loss account;
- (d) Details of employees, other than directors, showing:
  - (i) the average number of persons employed during the year, including part-time employees and secondees, analysed between appropriate categories
  - (ii) the total amount of loans to employees
  - (iii) employee costs during the year, showing separately:
    - (1) wages and salaries
    - (2) early retirement costs
    - (3) social security costs
    - (4) contributions to pension schemes
    - (5) payments for unfunded pensions
    - (6) other pension costs
- (e) An analysis of liquid resources, as defined by accounting standard FRS1 (revised).
- (f) In the note on debtors, prepayments and payments on account shall each be identified separately.
- (g)\* Particulars, as required by the accounting standard on related party disclosures, of material transactions during the year and outstanding balances at the yearend (other than those arising from contract of service or of employment with the Company), between the Company and a party that, at any time during the year, was a related party. For this purpose, notwithstanding anything in the accounting standard, the following assumptions shall be made:
  - (i) transactions and balances of £5,000 and below are not material
  - (ii) parties related to directors and key managers are as notified to the company by each individual director or key manager



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## ANNEX B: ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE

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- (iii) the following are related parties:
- (1) subsidiary and associate companies of the Company
  - (2) pensions funds for the benefit of employees of the Company or its subsidiary companies (although there is no requirement to disclose details of contributions to such funds)
  - (3) directors and key managers of the Company
  - (4) members of the close family of directors and key managers
  - (5) companies in which a director or key manager is a director
  - (6) partnerships and joint ventures in which a director or a key manager is a partner or venturer
  - (7) trusts, friendly societies and industrial and provident societies in which a director or a key manager is a trustee or committee member
  - (8) companies, and subsidiaries of companies, in which a director or a key manager has a controlling interest
  - (9) settlements in which a director or a key manager is a settler or beneficiary
  - (10) companies, and subsidiaries of companies, in which a member of the close family or a director or of a key manager has a controlling interest
  - (11) partnerships and joint ventures in which a member of the close family of a director or of a manager is a partner or venturer
  - (12) settlements in which a member of the close family of a director or a key manager is a settler or beneficiary
  - (13) the Department of Communities and Local Government, as the sponsor department of the Company.

For the purposes of this sub-paragraph:

- (i) A key manager means a member of the Company's management board.
  - (ii) The close family of an individual is the individual's spouse, the individual's relatives and their spouses, and relatives of the individual's spouse. For the purposes of this definition, 'spouse' includes personal partners, and 'relatives' means brothers, sisters, ancestors, lineal descendants and adopted children.
  - (iii) A controlling shareholder of a company is an individual (or an individual acting jointly with other persons by agreement) who is entitled to exercise (or control the exercise of) 30% or more of the rights to vote at general meetings of the company, or who is able to control the appointment of directors who are then able to exercise a majority of votes at board meetings of the company
- (h) A statement of losses and special payments during the year, being transactions of a type which parliament cannot be supposed to have contemplated. Disclosure shall be made of the total of losses and special payments if this exceeds £250,000, with separate disclosure and particulars of any individual amounts in excess of £250,000. Disclosure shall also be made of any loss or special payment of £250,000 and below if it is considered material in the context of the Company's operations.

*\*Note to paragraph 2 of Schedule 1 and paragraph 2(g) of Schedule 2: under the Data Protection Act 1998, individuals need to give their consent for some of the information in these sub-paragraphs to be disclosed. If consent is withheld, this should be stated next to the name of the individual.*