



# 2008

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# 1

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*Questions from the floor  
at the Annual Conference 2008*



## LEADERSHIP

### BOARD MEMBERS

Deep Sagar (Chair)

Robert Levene (from 1st August 2007)

Roger Malvern (from 1st August 2007)

Geneviève Mariner (from 17th March 2008)

John May (from 1st August 2007)

Trevor Moross (from 1st August 2007)

*(Note: The same board composition exists for LEASE Conferences Limited, a wholly owned subsidiary.)*

### AUDIT COMMITTEE

Trevor Moross (Chair)

Robert Levene

Roger Malvern

Deep Sagar

### CHIEF EXECUTIVE AND SECRETARY

Peter Haler MBE (until 1st October 2007)

Anthony Essien (from 8th October 2007)

My first full year as Chair of LEASE has been very eventful with us marking the retirement of Peter Haler, our founder Chief Executive and appointing Anthony Essien as our new Chief Executive. We are very fortunate to have Tony leading LEASE to meet the new challenges both the Government and the Board is setting the organisation.

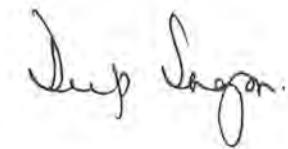
Alongside my appointment, the move to formal recognition as an Executive Non Departmental Public Body has seen the appointment of a new Board. I am very pleased that we have secured some continuity with Trevor Moross, Roger Malvern and Robert Levene being reappointed and I am delighted to welcome our new board members Geneviève Mariner and John May.

The free advice and information offered by LEASE continues to be needed and demand continues to grow. The inclusion within the Housing and Regeneration Act 2008 of provisions to improve the transparency and accountability of leaseholder service charge monies will create further demand. I will ensure LEASE is able to offer advice to Government to help introduce regulations that deliver the intended benefits.

The challenge for us in the year ahead is to see how we can build on the quality and accessibility of service we already offer. I want to be able to make accurate information more readily available and where possible grow the mediation service which we have introduced to help resolve disputes. I do not want LEASE to be seen as an advocate for any party and I attach great importance to our independence from both leasehold organisations and professional bodies.

LEASE has an impressive reputation. The Board and I will support the Chief Executive to build on this. We want to be sure that LEASE secures best value for the public money while helping those most in need of our advice. There are opportunities for us to build on our events and advice programmes offering stakeholders the opportunities to learn together and from each other.

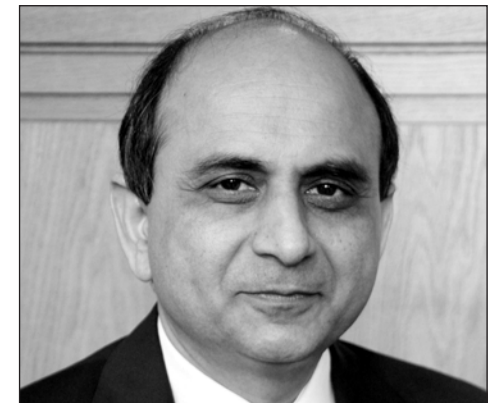
None of this would be achieved without the commitment from our staff which I acknowledge. The Board and I invite you to read this report and get in touch with us if you can help us achieve more or if you can help our customers.



**Deep Sagar**  
Chair

# 3

## CHAIR'S FOREWORD



*Deep Sagar*

# 4

## CHIEF EXECUTIVE'S REPORT



*Anthony Essien,  
Chief Executive*

This is my first report as Chief Executive. My appointment follows the retirement of Peter Haler, and I wish to express my thanks and the gratitude of all at LEASE for his hard work and commitment. Peter received an MBE in the Queen's birthday honours list for services to leaseholders in England and Wales, a testament to all that he has done.

The last twelve months were particularly challenging for the organisation. Nevertheless, the hard work and dedication of all of LEASE's staff ensured that clients received a high standard of advice and assistance in dealing with over 30,000 enquiries. Our website has once again shown continued growth in usage, and has enabled us to continue to punch above our weight. Whilst staff shortages meant we were unable to do as much as we had hoped, we were able to assist leaseholders, landlords and practitioners in both the private and public sectors throughout the year.

Looking ahead, our focus as a team is on meeting clear objectives. With commitment to our values as a team I am confident we will achieve our goals and more.

A handwritten signature in black ink, appearing to read 'Anthony Essien', with a long horizontal flourish extending to the right.

**Anthony Essien**  
Chief Executive

- 5.1 LEASE is an ENDPB, entirely funded by grant-in-aid from Government; our principal funder is Communities and Local Government (CLG), with additional contributions from the Welsh Assembly Government and Ministry of Justice (MoJ).

We are an independent service providing free legal advice on all aspects of long residential leasehold and commonhold in England and Wales.

- 5.2 All LEASE advisers are legal professionals, either solicitors or non-practising barristers, able to offer high-quality advice from a position of specialisation in the subject.

- 5.4 LEASE publishes a wide range of advisory material, both in print and on its website; the website also provides access to all decisions and determinations of the Leasehold Valuation Tribunals (LVTs) relating to purchases of the freehold and lease extensions under the Leasehold Reform Act 1967, purchases and lease extensions under the Leasehold Reform Housing and Urban Development Act 1993, service charge and appointment of a manager issues under the Landlord and Tenant Acts 1985 and 1987 and applications concerning the Right to Manage under the Commonhold and Leasehold Reform Act 2002.

# 5

## ABOUT LEASE



*Iain Wright, Parliamentary Under-Secretary of State, speaking at 2008 Conference*

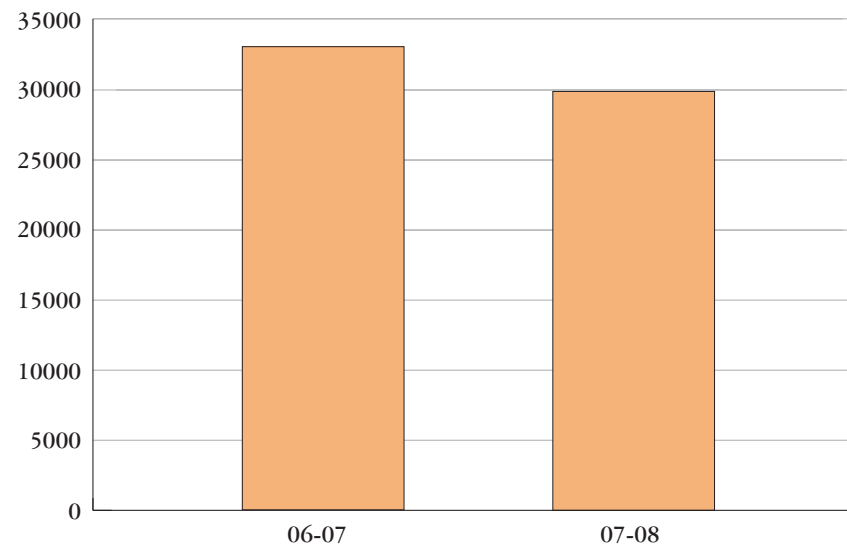
# 6

## DEMAND AND RESPONSE



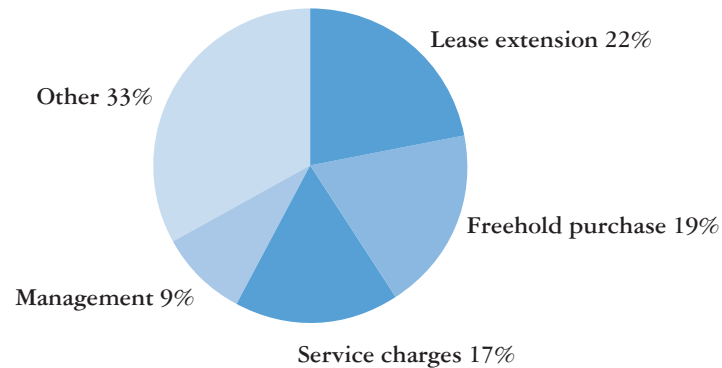
*Iain Wright, addressing delegates' questions alongside Deep Sagar*

- 6.1 During 2007-08 LEASE responded to over 30,000 enquiries, an average of nearly 600 per week. Figure 1 shows the level of enquiries for the year as compared with 2006-07. This indicates reduced output against the previous year. The reduction is the result of not having a full complement of advisory staff throughout the year. This affected our capacity to address demand. Nevertheless we responded to over 22,000 telephone enquiries, over 6,000 emails (an increase of 21%), almost 1,000 letters and almost 700 visits to our offices. Both letters and appointments were lower than the preceding year, a reflection of the difficulties in staffing during the year and the consequential prioritising of our biggest source of demand, the telephone advice service. 97% of enquiries were dealt with by advisers within 15 working days and 98% within 25 working days. 2% of enquiries were dealt with by administration and reception staff in sending out almost 4,000 hard copy leaflets.



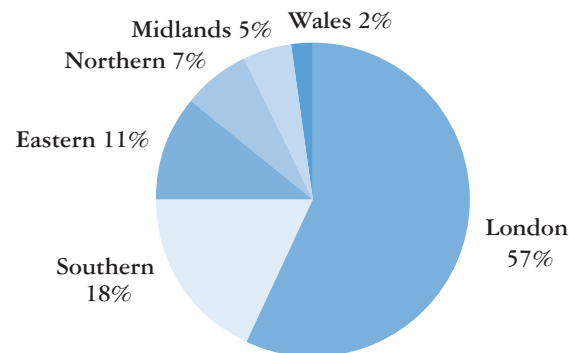
*Figure 1: Number of enquiries per year*

6.2 The subjects of enquiry during the year are shown at *Figure 2*. Lease extension enquiries continue as the leading subject, albeit with a lower proportion than in the preceding year. Freehold purchase and service charges follow.



*Figure 2: Subject of enquiry*

6.3 Distribution of client, dwelling type and status are shown in *Figures 3, 4 and 5* respectively. *Figure 3* indicates that London and the Southeast form the core region of those who raise enquiries with LEASE, some 75% of enquiries. Leasehold flats form 87% of the dwelling type held by our clients (*Figure 4*). The classification of our clients remains consistent, in that leaseholders are our core client, followed at some distance by professional advisers and leaseholders who run their own freehold (*Figure 5*).



*Figure 3: Client location*

# 6

## DEMAND AND RESPONSE



*Yasmin Ministry, Robert Levene (Director of LEASE) and Bob Smytherman (FPRA)*

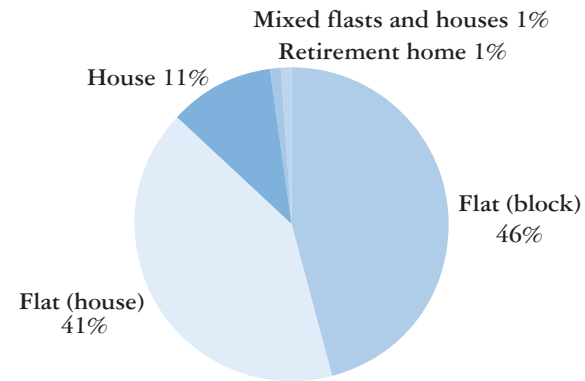


# 6

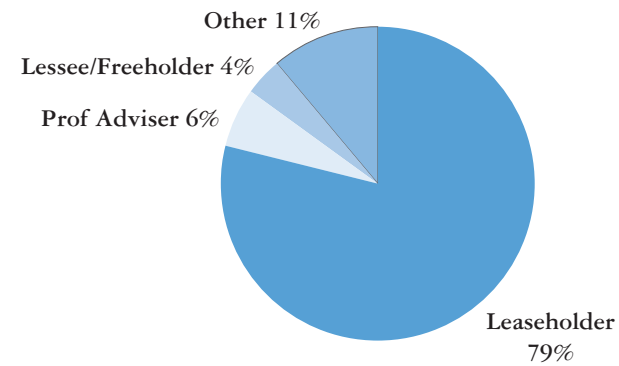
## DEMAND AND RESPONSE



*Anthony Essien and John Mills (ARMA)*



*Figure 4: Type of property*



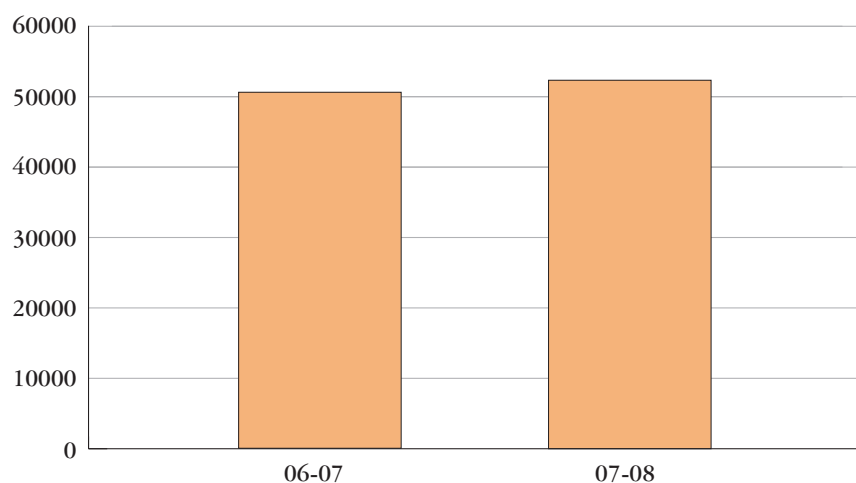
*Figure 5: Client type*

We aim to provide high quality advice and mediations. However, we received 4 complaints during the year.

# 7

## PUBLICATIONS AND WEBSITE

- 7.1 The revision of *Appointing a Managing Agent* booklet referred to in last years annual report, produced jointly with the Association of Residential Managing Agents (ARMA) and the Association of Retirement Housing Managers (ARHM), was completed.
- 7.2 Usage of the website continues to grow. The number of visits during the year totalled over 520,000 representing an average of over 1,400 visitors per day, an increase of 3% on the preceding year (*Figure 6, below*). The website currently contains almost 6,000 LVT determinations. During the year clients downloaded over 305,000 decisions from the LEASE website, an increase of 34% compared to last year.



*Figure 6: Number of visits to website*

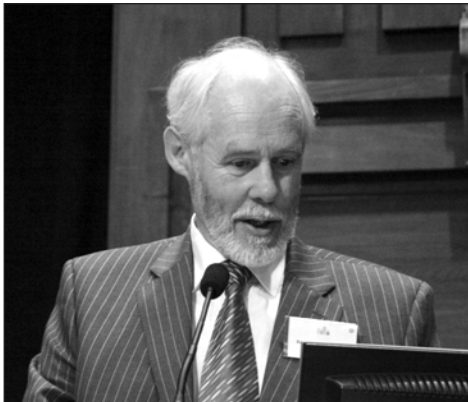
- 7.3 In December 2007 we decided to block search engines from accessing the LVT decisions on the LEASE website. This was done to prevent the personal details of parties to LVT applications being found by speculative internet searches. The decisions can still be traced using the search engine on our website, but no longer via external search engines. Whilst this is good practice in relation to Data Protection, it may mean the website received fewer visitors in the last quarter of 2007-08 compared with the same period last year.



*Professor James Driscoll  
speaking at the 2008 Conference*

# 7

## PUBLICATIONS AND WEBSITE



*Bruce Maunder-Taylor  
speaking at the 2008 Conference*

7.4 The number of visitors finding LEASE through Google has increased to around 41% (over 217,000) and LEASE retains the top position for the following search terms:

Leasehold

Right to Manage

Leasehold advisory

Collective enfranchisement

Lease advice

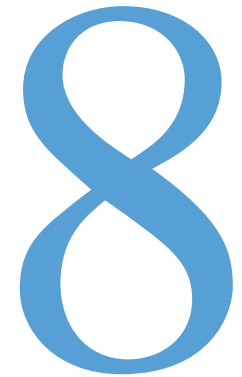
Lease extension

Leasehold Advisory Service

Enfranchisement

The *Living in Leasehold* booklet remains the most accessed document on the website at almost 41,000 visits, followed by *Lease Extension – Getting Started* and then the booklet, *Service Charges and other Issues* in third place with over 35,000 visits. The lists of solicitors and surveyors remain popular with over 21,000 and 14,500 visits respectively in 2007-08.

- 8.1 This is the first full year that mediation has been a core activity of LEASE, and a target of 100 applications for the year was believed to be achievable with successful resolution in 20% of cases. During the year 78 applications for mediation were received with 10 progressing to mediation sessions. Each of these resulted in settlements, and another 39 were settled without recourse to a mediation session. We feel that these settlements were prompted by the parties accepting to proceed by mediation even though an actual session did not occur.
- 8.2 Further mediation training was undertaken during the year to provide two new advisers with accreditation and also to further develop two members of our administrative staff. In knowing the nature and process of mediation they are well placed to understand their role in supporting it.
- 8.3 Where the local authority sector is concerned, we are encouraged that the London Borough of Haringey now refers their leaseholders to our mediation service. In addition, the service is now mentioned as a resource in the 'Leaseholder handbooks' produced by the London Borough of Enfield and Homes for Islington.
- 8.4 Work will continue in the forthcoming year on obtaining voluntary agreements with London Councils, the Local Government Association and the Housing Corporation for social sector landlords to use LEASE's mediation service where their leaseholders wished to do so.
- 8.5 The National Association of Citizens Advice Bureau (NACAB) has updated their information systems from hardcopy manuals to an electronic intranet based system accessed by bureaux offices, where this facility is unavailable they have a monthly CD. NACAB has confirmed that both of these resources contain current information about LEASE and its services, with particular mention of the mediation service.



LEASE  
MEDIATION SERVICE



*Andrew Pridell  
speaking at the 2008 Conference*

# 9

## CONFERENCES AND OUTREACH



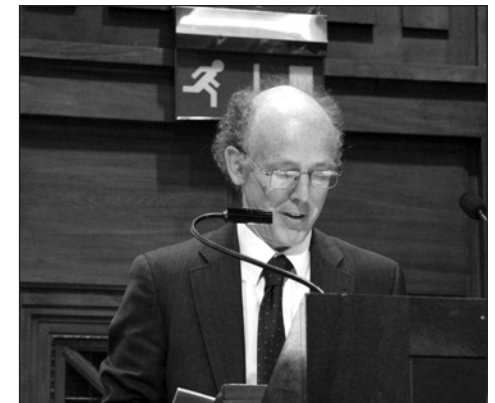
*John Mills speaking at the 2008 Conference*

- 9.1 The 2007 LEASE annual conference attracted 306 delegates and guests.
- 9.2 Following the 2006 Valuers' Forum, a second was held on 20th November 2007 and provided an opportunity to discuss the outcome of the *Sportelli* proceedings in the Court of Appeal and other important current issues. LEASE continued to act as the secretariat for the quarterly Southern Valuers' Forum, assisting valuers who operate outside of central London to meet and discuss current issues.
- 9.3 LEASE advisers made presentations to leaseholders in Richmond, Ealing, Bromley, Blackpool, Southwark and Denham during the year. Presentations were also made for professional conferences and seminars run by the Housing Quality Network, Central Law Training and the ARHM. Briefings were provided to members of ARMA, about LEASE and our work, in London, Exeter, Manchester and Sheffield.
- 8.4 In keeping with facilitating relations with the regional Residential Property Tribunals (RPTS), the Chief Executive met with the Presidents of the Welsh and London RPTS, and participated in the National Users meeting of the Leasehold Valuation Tribunal.

- 10.1 During the year we appointed an additional Senior Adviser, the role includes specific responsibility for social sector leasehold.
- 10.2 Advisers at LEASE made presentations at the Wales and West Housing Association leasehold conference; and leaseholder forums for Cotsway Housing Association and Northern Counties Housing Association.
- 10.3 We provided evidence of our knowledge and experience during a meeting of the housing committee of the London Borough of Greenwich for their leasehold management Best Value Review.
- 10.4 Training during the year was provided principally to leaseholders in the social sector, specifically those of the London Boroughs of Croydon and Southwark, Liverpool City Council, Northern Counties Housing Association, Richmond Housing Partnership, Hackney Homes and Stevenage Borough Council.
- 10.5 Unfortunately, clashing priorities have meant slow progress in putting together a database of the payment options for each local authority and writing to all social sector landlords to ensure that they are aware of LEASE's services and to seek that leaseholder's handbooks contain LEASE's details and that websites include appropriate links. These are matters that will be pursued in 2008-9.

# 10

## SOCIAL SECTOR LEASEHOLD



*Paul Hughes, Ministry of Justice  
speaking at the 2008 Conference*

# 11

## SOCIAL SECTOR WORKING PARTY (SSWP)

- 11.1 The SSWP includes representatives of lessees, landlords, regulators, managers and relevant associations and is chaired by LEASE. Illness, unavailability of delegates and other difficulties prevented the group meeting regularly during 2007-08.

The group is carrying out a work programme for 2008/09 with a view to completing the programme and submitting a report to CLG by March 2009.

# 12

## COMMONHOLD

- 12.1 Few enquiries were raised with us during the year on Commonhold. Its take up appears to remain limited. Nevertheless, LEASE provided a presentation at the News on the Block Commonhold Conference; and continued to participate in meetings of the Commonhold Working Group. We anticipate developments for Commonhold in the coming months, as the Ministry of Justice (MoJ) has promised a public consultation. LEASE will, of course, respond to the consultation paper.

- *Living in Leasehold Flats* (jointly with ARMA & ARHM)
- *Commonhold*
- *Application to the Leasehold Valuation Tribunal*
- *Service charges – and other issues*
- *The Right to Manage*
- *Collective Enfranchisement – Getting Started*
- *Valuation for Collective Enfranchisement*
- *LEASE Extension – Getting Started*
- *Valuation for Lease Extension*
- *Houses - Qualification and Valuation*
- *Participation Agreements*
- *Getting Value from your Valuer*
- *Appointing a Managing Agent* (jointly with ARMA & ARHM)
- *S20 Consultation* (jointly with ARMA and ARHM)
- *S20 Consultation for Public Sector Landlords* (jointly with ALG)
- *Leasehold Retirement Rights* (jointly with AIMS and ARHM)
- *Appointment of a Surveyor/Management Audits*
- *Right of First Refusal*
- *Security of Tenure when the Lease runs out*
- *Home Information Packs for Leaseholders.*

# 13

## LEASE PUBLICATIONS LIST



*Philip Rainey of Counsel  
speaking at the 2008 Conference*



# 14

## THE FUTURE

- 14.1 LEASE is committed to the provision of a high quality legal advisory service, free to its users. Our aim as we go forward is to ensure that all our resources are maximised in order that all of England and Wales benefits from our skills and services.
- 14.2 We are obliged to our three funding agencies, Communities and Local Government (CLG), Welsh Assembly Government (WAG) and the MoJ for their continuing support.

# 15

## STATEMENT OF CHIEF EXECUTIVE'S RESPONSIBILITIES

- 15.1 The Chief Executive is responsible for the day-to-day governance and running of LEASE and for carrying out the role and requirements of Accounting Officer and Consolidation Officer as set out in paragraphs 32-34 and 37-39 of the *Management Statement and Financial Memorandum*.
- 15.2 Additional information on the financial requirements of LEASE can be found at *Appendix 2*, which sets out the accounts directions to be followed, and *Schedules 1* and *2* which set out various issues that must be covered in the accounts produced, and any additional disclosure requirements respectively.

## OPERATING AND FINANCIAL REVIEW

LEASE is a company limited by guarantee registered at Companies House and an Executive non-Departmental Public Body (NDPB). Funding is wholly by the Government, principally from Communities and Local Government (CLG) supplemented by lesser amounts from Welsh Assembly Government (WAG) and Her Majesty's Court Service (HMCS) (part of the Ministry of Justice) there is no other income. Application for payment of grant-in-aid is submitted on a quarterly basis and is monitored by CLG.

LEASE has no loans or contracts, other than minor leasing arrangements and maintenance contracts for office equipment; there are no capital assets other than office and IT equipment. LEASE has one subsidiary, which is principally involved in arranging and providing conferences and training to third parties. The results of the subsidiary for the year are included in the consolidated financial statements. The accounts on the following pages have been prepared in accordance with the Companies Act 1985 and the accounts direction given by the Secretary of State; the auditors appointed by the Board are Elliotts Shah.

## 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 page 2. Board members have corporate responsibility for ensuring that LEASE fulfils the aims and objectives and complies with any statutory or administrative requirements for the use of public funds.

The Board meets at least five times a year with the supervising officer at CLG attending as an observer and to comment on Departmental issues and requirements. The Audit Committee, comprising four members of the Board, meets on the same cycle. 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 CLG. Total remuneration paid for the year was £11,508

At the year-end, there were 18 members of staff and the tabulation below indicates the staff numbers whose remuneration including National Insurance and employer's pension contribution at 10% of gross salary.

£20,000 - £30,000	2 staff
£30,000 - £40,000	3 staff
£40,000 - £50,000	12 staff
£60,000 - £70,000	Nil staff
£70,000 - £80,000	1 staff

There was a change of Chief Executive during the year:

A Essien	(appointed 8th October 2007)
P Haler	(retired 1st October 2007)

# 16

LEASE:  
FINANCIAL STATEMENTS  
YEAR ENDED  
31ST MARCH 2008

## FINANCIAL STATEMENTS

### STATEMENT ON INTERNAL CONTROL

As Accounting Officer, I have responsibility for maintaining a system of internal control risk management to support the aims and objectives set by the Board and to safeguard the public funds and assets held by LEASE. Systems of control in place relate to expenditure and financial viability and third party liabilities.

Almost 80% of LEASE's expenditure is salaries; the remaining expenditure, up to £5,000 is authorised by the Accounting Officer and another senior manager; all transactions for a sum exceeding £5,000 require additional authorisation by the Chairman or specified Board Member. There is no delegation of authority for expenditure.

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

Grant-in-aid is approved in principle on a three-year basis, subject to separate application and approval for each year. Externally liability is limited to potential action by clients of LEASE in terms of damages alleged to have been accrued as a direct result of defective advice provided. The company maintains professional indemnity insurance cover to a maximum for any individual claim of £500,000. There is a client complaint policy and procedure in place, accessible on the LEASE website, although no client has yet activated it.

The systems of internal control are designed to manage rather than eliminate the risk of failure and can, therefore, only provide reasonable and not absolute assurance of effectiveness.



Anthony Essien  
Chief Executive

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2008**

**FINANCIAL STATEMENTS**

	Notes	31.3.08 £	31.3.07 £
<b>INCOME</b>	2	1,255,000	1,237,148
Administrative expenses		1,184,083	1,107,597
<b>OPERATING SURPLUS</b>	4	70,917	129,551
Interest receivable and similar income		10,903	2,538
		81,820	132,089
Interest payable and similar charges	5	1,288	—
		80,532	132,089
Notional cost of capital		8,576	4,009
		71,956	128,080
Notional cost of capital reversed		8,576	4,009
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		80,532	132,089
Tax on surplus on ordinary activities		—	6,113
<b>SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		80,532	125,976
Transfer to grant reserves	7	(80,532)	—
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>		—	125,976

## FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET 31 MARCH 2008

	Notes	31.3.08 £	31.3.07 £
<b>FIXED ASSETS</b>			
Tangible assets	9	14,249	12,008
Investments	10	—	—
		14,249	12,008
<b>CURRENT ASSETS</b>			
Debtors	11	31,208	86,758
Cash at bank		277,739	187,262
		308,947	274,020
<b>CREDITORS</b>			
Amounts falling due within one year	12	20,598	63,962
<b>NET CURRENT ASSETS</b>		288,349	210,058
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		302,598	222,066
<b>RESERVES</b>			
Grant reserves	14	245,041	—
Income and Expenditure account	14	57,557	222,066
	15	302,598	222,066

## 1. ACCOUNTING POLICIES

### Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The consolidated financial statements include the accounts of the parent company and all its subsidiaries.

### Turnover

Turnover represents grant income and net invoiced sales of services from arranging conferences and provision of training excluding value added tax. Grant income is principally from the Communities and Local Government (CLG) supplement by lesser amount from Welsh Assembly Government (WAG) and Her Majesty's Court Service (HMCS).

The grant from the CLG of £1,150,000 has been received in full and was credited in total in the Income and Expenditure Account.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings: 33% on cost

Computer equipment: 33% on cost

### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

### Hire purchase and leasing commitments

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

### Pension costs and other post-retirement benefits

Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.



THE LEASEHOLD ADVISORY  
SERVICE AND  
SUBSIDIARIES

NOTES TO THE FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED 31  
MARCH 2008

## NOTES TO THE FINANCIAL STATEMENTS

### 2. INCOME

The income and surplus before taxation are attributable to the one principal activity of the group.

An analysis of income by class of business is given below:

	2008	2007
	£	£
Communities and Local Government	1,150,000	1,135,000
Welsh Assembly Government	17,641	16,560
Her Majesty's Court Service	5,000	10,000
Conference and training income	82,359	75,588
	1,255,000	1,237,148

### 3. STAFF COSTS

	2008	2007
	£	£
Wages and salaries	674,507	671,606
Other pension costs	68,124	60,456
	742,631	732,062

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

	2008	2007
Chief Executive and Accounting Officer	1	1
Support Staff	17	18
	18	19

## NOTES TO THE FINANCIAL STATEMENTS

### 4. OPERATING SURPLUS

The operating surplus is stated after charging:

	2008	2007
	£	£
Hire of plant and machinery	18,549	18,845
Depreciation - owned assets	19,132	22,579
Auditors' remuneration	6,500	3,150
Directors' emoluments and expenses	12,248	601

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable	1,288	—

### 6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2008	2007
	£	£
Current tax:		
UK corporation tax	—	6,113
Tax on surplus on ordinary activities	—	6,113

### 7. TRANSFER TO GRANT RESERVE

	2008	2007
	£	£
Transfer to grant reserve	80,532	—



## NOTES TO THE FINANCIAL STATEMENTS

### 8. SURPLUS OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the income and expenditure account of the parent company is not presented as part of these financial statements. The parent company's surplus for the financial year was £80,532 (2007 - £99,915).

### 9. TANGIBLE FIXED ASSETS

#### GROUP

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2007	41,977	26,444	68,421
Additions	10,993	10,380	21,373
<b>At 31 March 2008</b>	<b>52,970</b>	<b>36,824</b>	<b>89,794</b>
<b>DEPRECIATION</b>			
At 1 April 2007	29,969	26,444	56,413
Charge for year	15,672	3,460	19,132
<b>At 31 March 2008</b>	<b>45,641</b>	<b>29,904</b>	<b>75,545</b>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2008</b>	<b>7,329</b>	<b>6,920</b>	<b>14,249</b>
At 31 March 2007	12,008	—	12,008

#### COMPANY

<b>COST</b>			
At 1 April 2007	41,977	26,444	68,421
Additions	10,993	10,380	21,373
<b>At 31 March 2008</b>	<b>52,970</b>	<b>36,824</b>	<b>89,794</b>

## NOTES TO THE FINANCIAL STATEMENTS

### DEPRECIATION

At 1 April 2007	29,969	26,444	56,413
Charge for year	15,672	3,460	19,132
At 31 March 2008	45,641	29,904	75,545

### NET BOOK VALUE

At 31 March 2008	7,329	6,920	14,249
At 31 March 2007	12,008	–	12,008

The amounts shown are at historical cost less depreciation. They have not been modified to their current value, as there would be no material difference to the reported profits or between the revalued costs and the historic costs.

## 10. FIXED ASSET INVESTMENTS

### COMPANY

Unlisted  
investments  
£

### COST

At 1 April 2007 and 31 March 2008	1
--------------------------------------	---

### NET BOOK VALUE

At 31 March 2008	1
At 31 March 2007	1

## NOTES TO THE FINANCIAL STATEMENTS

The company's investments at the balance sheet date in the share capital of companies comprised of the following:

### SUBSIDIARY

LEASE Conferences Limited

Nature of business: Conference & Education facilities

% holding

Class of shares:

Ordinary 100.00

### 11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2008	2007	2008	2007
	£	£	£	£
Department of Communities and Local Government	—	50,000	—	50,000
Amounts owed by group undertakings	—	—	24,760	—
Other debtors	5,345	—	5,345	—
Season ticket loans	6,422	—	6,422	—
Prepayments and accrued income	19,441	36,758	19,441	36,758
	31,208	86,758	55,968	86,758

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2008	2007	2008	2007
	£	£	£	£
Tax	—	7,910	—	—
VAT	389	3,965	—	—
Accruals and deferred income	20,209	52,087	18,708	26,512
	20,598	63,962	18,708	26,512

## NOTES TO THE FINANCIAL STATEMENTS

	Income and expenditure account £	Grant reserve £	Totals £
<b>THE LEASEHOLD ADVISORY SERVICE AND SUBSIDIARIES</b>			
At 1 April 2007	222,066	–	222,066
Transfer to grant reserve	(164,509)	164,509	–
Current year transfer from income and expenditure account	–	80,532	80,532
At 31 March 2008	57,557	245,041	302,598
<b>COMPANY</b>			
At 1 April 2007	164,509	–	164,509
Transfer to grant reserve	(164,509)	164,509	–
Current year transfer from income and expenditure account	–	80,532	80,532
At 31 March 2008	–	245,041	245,041

### 13. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

#### GROUP

	Land and buildings	
	2008	2007
	£	£
Expiring:		
In more than five years	77,622	77,622

## NOTES TO THE FINANCIAL STATEMENTS

### 14. RESERVES GROUP

	Income and expenditure account £	Grant reserve £	Totals £
At 1 April 2007	222,066	—	222,066
Transfer to grant reserve	(164,509)	164,509	—
Current year transfer from income and expenditure account	—	80,532	80,532
At 31 March 2008	57,557	245,041	302,598

### COMPANY

At 1 April 2007	164,509	—	164,509
Transfer to grant reserve	(164,509)	164,509	—
Current year transfer from income and expenditure account	—	80,532	80,532
At 31 March 2008	—	245,041	245,041

### 15. RECONCILIATION OF MOVEMENTS IN RESERVES GROUP

	2008 £	2007 £
Surplus for the financial year	—	125,976
Grant reserves transfer	80,532	—
Net addition to reserves	80,532	125,976
Opening reserves	222,066	96,090
Closing reserves	302,598	222,066

## COMPANY

	2008 £	2007 £
Surplus for the financial year	–	99,915
Grant reserves transfer	80,532	–
<b>Net addition to reserves</b>	<b>80,532</b>	<b>99,915</b>
Opening reserves	164,509	64,594
Closing reserves	245,041	164,509

## NOTES TO THE FINANCIAL STATEMENTS

### 16. RELATED PARTIES

LEASE is an Executive Non Departmental Public Body sponsored principally by CLG with supplemental funding from WAG and HMCS. Grants of £1,150,000 were received during the year from CLG.

There were no directors or senior employees' interests that are required to be disclosed.

## APPENDIX 1: AGREED BUSINESS PLAN 2007-08

	AREA OF WORK	OBJECTIVES & TARGETS
1	(a) Provision of advice on residential leasehold law (CLG)	(a) To provide comprehensive, objective and impartial advice to tenants, landlords, professional advisers, professional bodies and others on all aspects of residential leasehold law in England and Wales.
2	(a) Responding to leasehold enquiries (b) Target times for responding	(a) To aim to respond to 35,000 enquiries in 2007-8. (b) To aim to respond to 95% of requests for guidance leaflets within 3 working days. (b) To aim to respond to 85% of enquiries requiring specialist advice within 15 days. (b) To aim to respond to 95% of enquiries requiring specialist advice within 25 working days.
3	<b>Publications &amp; Website</b> (a) Residential leasehold (CLG)  (b) Website	(a) Produce joint LEASE/CLG guidance publications on residential leasehold (in conjunction within CLG). (b) Maintain a comprehensive website with access to all LEASE publications & reports, and all LVT decisions and determinations, aiming to have LVT decisions on the website within two months of receipt.
4	(a) Statistics and monitoring information (b) Annual Report (c) Corporate Plan (d) Related reports and papers	(a) Provide monitoring information and statistics to CLG on a quarterly basis (June/Sept/Dec/March) in the form agreed. Complete appropriate ENDPB returns for CLG. (b) Produce the LEASE annual report for 2007/2008 in draft by 30 May 2008 and final report by 15 July 2008. (c) To update the corporate plan by March 2008. (d) Provide reports, discussion papers and responses to Government consultations as appropriate.
5	<b>Liaison &amp; Advice with Government &amp; Others</b> (a) Advising officials and Ministers of the DCLG (b) ENDPB requirements (c) Working parties and other groups (d) Communication	(a) Continue to advise CLG officials and Ministers on residential leasehold issues (b) Liaise with CLG, & WAG as appropriate on ENDPB issues. (c) Continue the operation and servicing of the Social Sector Working Party and deliver against the agreed terms of reference. Continue to develop working relationships with RPTS (including User Groups) and Housing Ombudsman (including Stakeholders Forums). (d) Develop a wider communications strategy to promote awareness of LEASE for implementation in 2007-8.

## APPENDIX 1: AGREED BUSINESS PLAN 2007-08

6	(a) Training and awareness in residential leasehold issues	<p>(a) Devise and effect awareness raising, training and education in leasehold legislation for professionals and others (as necessary).</p> <p>(a) Arrange an annual conference and seminars (as necessary) on residential leasehold.</p>
7	<p>(a) working with leasehold organisation, professionals and trade bodies</p> <p>(b) Seminars, speaking engagements &amp; promoting wider understanding of leaseholder rights (Landlord &amp; Tenant Law)</p> <p>(c) Work in improving professional standards of leasehold management</p>	<p>(a) Continue to develop working relations with leaseholder organisations, the professions and trade bodies with an interest in leasehold.</p> <p>(b) To participate in public speaking engagements/seminars to promote a wider understanding of leaseholder rights and obligations and landlord &amp; tenant law in general.</p> <p>(c) Continue to work with ARMA/ARHM/CIH and CLG towards improving professional standards of management in leasehold property.</p>
8	Mediation Service (Alternative Dispute Resolution)	<p>(a) Operate a mediation service, target 100 applications per year and to achieve resolution in 20% of cases.</p> <p>(b) To further develop awareness of the service in the social sector (see also 10 below).</p>
9	Social Sector work (including 6 (c) and 9(b) above)	<p>(a) Seek a voluntary agreement with London Councils, LGA, and the Housing Corporation that social sector landlords would use the LEASE mediation service where leaseholders wished to do so.</p> <p>(b) Write to all social sector landlords to ensure that they are aware of LEASE's services and to ask that tenant's handbooks contain LEASE's details and that websites include appropriate links – though recognising that many handbooks and websites already do so.</p> <p>(c) Pull together a database on payment options available from each local authority. (To give LEASE advisors a better basis on which to advise social sector leaseholders of their rights and options – though LEASE would not provide any form of financial advice).</p> <p>(d) Work with NACAB to ensure that all CABs are aware of LEASE's advice and mediation service.</p> <p>(e) Allocate a senior advisor to take on responsibility for taking the above work forward.</p>
10	Recruitment of Chief Executive	<p>(a) Recruit in liaison with CLG and through open competition, a new Chief Executive.</p> <p>(b) Ensure advert, sift and interview process is completed by end August 2007.</p> <p>(c) Make appointment of new Chief Executive by end September ensuring an appropriate handover.</p>



**APPENDIX 2:**  
**ACCOUNTS DIRECTION**  
**GIVEN BY**  
**THE SECRETARY OF STATE**

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 and 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.

## 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 sheet

and 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

## APPENDIX 2: ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE.

**APPENDIX 2:**  
**ACCOUNTS DIRECTION**  
**GIVEN BY**  
**THE SECRETARY OF STATE**

- (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 year end (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
  - (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
- (g) 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.*

**APPENDIX 2:**  
**ACCOUNTS DIRECTION**  
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*LEASE Annual Conference 2008*



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