



L E A S E

THE LEASEHOLD
ADVISORY SERVICE

**THE LEASEHOLD ADVISORY SERVICE (LEASE)
ANNUAL REPORT AND ACCOUNTS FOR 2013-14**

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CHAIR'S FOREWORD

I would like to start by highlighting just three facts of LEASE's recent achievements:

1. **Better value for money:** LEASE has reduced its dependence on funding by central government by 24% in the last three years and yet delivered more. This year, for example, it has serviced over 700,000 consumers, many more than before. We remain focused on doing more with less.
2. **Going out to consumers' doors:** This year LEASE went to over 60 locations across England and Wales including Bournemouth, Birmingham and Blackpool (additional to Cardiff and others) and held individual surgeries with leaseholders. We believe people can be supported through these surgeries and by training others to solve their own problems.
3. **Finding new and relevant products:** Not only have new services been developed for consumers in Wales, and in mobile park homes, but new offerings such as customised training, a revised ready reckoner for lease extension premiums on our internet service, and consumer-led frequently asked questions have been delivered using consumer feedback to inform service planning and delivery.

Like others, LEASE faced many challenges in the last 12 months. The board's answer has been to relentlessly focus on delivering improved quality and responsive services to leaseholders and others. We look forward to continuing to work constructively with our partners over the coming year and thank in particular Adrenaline Media and the Association for Leasehold Enfranchisement Practitioners.

I would like to end by acknowledging the significant contribution made by others in making our work accessible and better. Prominent among these have been the Federation of Private Resident Associations, Engage Liverpool, many housing associations and local authorities including Community Housing Cymru and Monmouthshire County Council, Damian Greenish, Professor James Driscoll and Nic Shulman. LEASE's staff deserve our gratitude for adapting to market developments. And, last but not least, I thank all board members for their unfailing advice and support; Robert Levene unfortunately left during the year but new members, Nicola Mullany and Steve Jackson, have added much needed expertise.

Deep Sagar
Chairman

CHIEF EXECUTIVE'S REPORT

The last 12 months have been challenging for LEASE but they have also been an exciting period implementing new services and collaborations; and in generating more independent income to reduce the cost to the taxpayer in providing LEASE's front line services to leaseholders and others.

Providing value for money is vital in the work that we do and at a little over £1 per customer, and notwithstanding the increase in demand for our services, we continue to look to providing new services and seek out our customers views about the services they receive. Just two of the new things that we implemented to help customers solve their problems is our service for the many vulnerable people living in park homes across England; and our collaboration with the Association of Leasehold Enfranchisement Practitioners (ALEP) helping leaseholders through an out-of-hours telephone service.

We increased our independent income by delivering paid services for leasehold professionals through our associated company Lease Conferences Ltd. The funds directly support the free frontline channels, but also services such as our London leaseholder conference. This is the second year for our leasehold conference and almost 150 leaseholders received advice surgeries, workshops and plenaries at no cost to the taxpayer. Feedback from delegates was very encouraging and will help in planning for next year's event.

We supported raising standards not only by responding to consultations from the Department for Communities and Local Government, the Office of Fair Trading (now Competition and Markets Authority (CMA)) and the Ministry of Justice, but also by assisting the work of professional bodies such as the Association of Residential Managing Agents (ARMA), the Association of Retirement Housing Managers (ARHM), the National Housing Federation (NHF), the Chartered Institute of Housing (CIH) and the Royal Institution of Chartered Surveyors (RICS).

The Tenant Participation Advisory Service (TPAS) asked LEASE to help in its research aimed at improving leaseholder engagement and we are glad to support this important project on an ongoing basis.

This brief report can only highlight some of the work being done by our hard working staff across England and Wales, but in what was our twentieth year we can be proud of the work done in helping over 730,000 individual customers through online and traditional channels and to look forward to helping more people in the days to come.

Anthony Essien
Chief Executive

PERFORMANCE

1 Our customers

1.1 Internet customers

The number of customers accessing the internet service increased for the past 12 months by 41% over the previous year to nearly 710,000 individuals, and of these 43% were from outside London and the South East, indicative of LEASE's increasingly important position in providing advice and information online and also to those outside the London leasehold hub.

Customers downloaded 23% more booklets than in the preceding year at over 730,000. This is a clear indicator of increasing engagement with our content.

During the year we increased our free podcast library with the collaboration of external experts. Customers can now access more than 20 free podcasts on various current leasehold topics. Currently the most viewed is *Lease extension – getting started* made with the collaboration of Mark Wilson at myleasehold. Additionally, we worked with Lavinia Shaw-Brown (LawWorks), Merlin Housing Society, the Housing Ombudsman Service, Smith & Williamson, Comptons solicitors, Bishop and Sewell solicitors, Amanda Gourlay of Tanfield Chambers, Maunder Taylor managing agents, Sykes Andersen LLP, and others, all giving their time and expertise freely to help leaseholders.

Table 1 Customers via internet service

	2013-14	2012-13	%+/-
Unique visitors	709,196	502,344	41
% from outside London & the Southeast	43	41	5
Booklet downloads	730,232	593,924	23

1.2 Customers via other channels

The trend of more customers using our online services is clear, and this extends to the increase in email enquiries that we addressed in 2013-14. Nevertheless, there is still considerable demand for help and information by more traditional channels. To provide more help for customers contacting us by telephone we began collaborating with the Association of Leasehold Enfranchisement Practitioners (ALEP) and launched a twice weekly out of hours service whereby ALEP members address enfranchisement and lease extension enquiries. We plan to seek additional members for the new service and will investigate broadening its coverage to include matters such as service charges.

Table 2 Customers via other channels

Channel	2013-14	2012-13	%+/-
Telephone	29,922	31,200	-4
Email/letter	10,794	10,454	3
Personal appointment	812	912	-11
Total customers*	26,903	26,452	2
Total enquiries	40,647	42,566	-5

*Total customers are total individual customers rather than total enquiries.

PERFORMANCE

1.3 LEASE going to customers rather than customers coming to LEASE

We use the following main methods to reach customers:

- We get 25 or so leaseholders or leaseholder residents' association members together anywhere in England and Wales with LEASE advisers providing tailored advice.
- We write to MPs, AMs, and councillors and housing associations offering to support their leaseholders on the same basis (we advertise the same offer on our internet site and telephone service).
- We have a regular surgery at the largest First-tier Tribunal (Property Chamber) so that customers can be assisted when they might be considering complex tribunal proceedings.
- We work with other organisations such as the Federation of Private Residents Associations, Shelter, News on the Block, Engage Liverpool, Association of Retirement Housing Managers, National Housing Federation, and Chartered Institute of Housing and support customers at their events.
- We update our internet advice and content based on customer demand (eg we have FAQs based on customer questions).

1.4 Wales

This year we introduced a full-time adviser based in Cardiff to better support and expand LEASE's Wales services. In addition to addressing enquiries through traditional channels and face-to-face sessions in Cardiff our adviser also contributed the following services during the year:

- Provided advice surgeries and other events for leaseholders in Newport and Cardiff in collaboration with Community Housing Cymru (CHC) and with support of the Cardiff Law Society.
- Developed working relationships with local authorities and housing associations including Swansea and Carmarthenshire Councils; and Cartrefi housing, Cartrefi Conwy, Gwalia (Swansea), Valleys to Coast Housing, Mid-Wales Housing Association and Newydd Housing respectively with a view to future local advice surgeries.
- Worked closely with Vale of Glamorgan CAB to develop local advice hubs with it and other CABs.
- Provided presentations and Q&A at CHC's leaseholder network meetings, and
- Provided advice via a referral system from the Welsh Residential Property Tribunal Service for leaseholders needing guidance

During the year we surveyed our Welsh customers about their leasehold problems and their resolution as part of data gathering to report to Welsh Government on leasehold problems and how leaseholders solve their disputes.

Our successful March leaseholder conference in Cardiff included a keynote presentation by the President of the Welsh Residential Tribunal Service, workshops and advice surgeries for leaseholders

Anticipating the new rules in England and name change to the First-tier Tribunal (Property Chamber) we drafted separate guidance for England and Wales in time for the change in July 2013. Customers in Wales now have online guidance highlighting the differences between the Welsh Leasehold Valuation Tribunal and the First-tier Tribunal (Property Chamber) in England.

Examples of Wales service

	2013-14	2012-13	%+/-
Unique visitors to the internet service	14,074	8,057	75
Enquiries via other channels	896	822	9

PERFORMANCE

The top enquiry subjects for the year were:

Service Charges	21%
Freehold Purchase	11%
Lease Extension	9%
Application to LVT	8%
Management	6%

We continue to reach customers all across Wales.

1.5 Park Homes

Park Homes is a new service that sees LEASE using our skilled advisers to help vulnerable people living in mobile homes and help raise standards of management in the sector. The service was established with the support of DCLG and during the year assisted over 3,700 online customers through a new microsite containing legislation, online forms, advice guides and information about LEASE advisers presence at park homes events.

Key to helping customers in the park homes sector is that our advisers help customers locally; during the year almost 500 customers attended the 11 advice surgery, seminars and other events where LEASE collaborated with other organisations. These events saw our advisers explain recent changes in the law on park homes to audiences of home owners, local authority officers and site owners.

Through our traditional channels we responded to almost 1,000 enquiries since the service began at the end of May 2013.

1.6 Lease Conferences and supporting front line services

In 2013-14 we built on the good progress from the previous year and grew our independent income stream to further support the free frontline services.

An article about how Lease Conferences' services can help support lawyers was published in the March edition of the Law Society's *Property in Practice* magazine.

The year was opened with LEASE's eleventh Annual Conference which for the first time included a free evening conference for leaseholders. The development of our fee-paying directory and classroom training alongside the existing in-house training and webinar services has produced an increase in income from these sources all of which goes to maintaining and supporting the free frontline service.

(a) 2014 Annual Conference

LEASE's 2014 annual conference again saw a packed day for professionals and leaseholders. With a full house for both the day and evening events at the new venue of Etc. Conference centre near St Paul's, delegates benefited from a mix of plenaries, breakout and panel sessions.

The day was opened with a keynote presentation from Mike Biles, Housing Ombudsman, who set out the Ombudsman's new approach to redress. Douglas Cooper, Inquiry and Project Director, Competition and Markets Authority (CMA) provided a helpful overview and addressed delegates' questions on the CMA's recently launched market study of the property management market in England and Wales. LEASE is assisting CMA with this important project.

The first of two expert panel sessions saw Steve Michaux (A2 Dominion), Katie Bond (Notting Hill Home Ownership) and Ian Merrick (Essential Living) provide stimulating and entertaining discussion on the management of mixed tenure. This is especially significant for London as the Mayor's strategy calls for more mixed tenure. Key issues were raised including the importance of design, affordability and managing expectations.

PERFORMANCE

Siobhan McGrath, President of First-tier Tribunal (Property Chamber) provided the afternoon keynote and updated delegates on the tribunal's new rules bedding in and its experiences in the last 12 months. The idea of LEASE being part of a more joined-up service was floated, where LEASE would be part of a triage, advice, mediation and, if necessary, adjudication service.

The evening leaseholder conference saw the large number of leaseholders in attendance hear keynote addresses from barrister and mediator Christopher Papaloizou and Paula Higgins of the Homeowners Alliance, on how mediation can help in leasehold disputes and the challenges of buying and owning your own home respectively. Delegates then divided into interactive workshops, once again hosted by industry experts on insurance, the Leasehold Valuation Tribunal First Tier Tribunal (Property Chamber), enfranchisement and lease extensions, and service charges and the right to manage. LEASE's advisers were also on hand to provide one-to-one advice to leaseholders, a popular part of the evening.

(b) Online leasehold professional directory

During the year we completed the second phase in our new online professional directory. Almost 300 practitioners have subscribed to the directory.

(c) Classroom and in-house training

Lease Conferences conducted 15 training days for housing bodies and launched training in Birmingham as part of an expansion to support professionals outside London. We also carried out in-house training for leasehold professionals in Cardiff as well as a classroom session both of which were well received.

(d) Webinars

LEASE continued its webinar series; ten sessions were again offered during the year with sessions on Park Homes – pitch fees, licensing and enforcement, Collective Enfranchisement, rules of the new First-tier tribunal (Property Chamber), the RICS Code of Practice, Lease Extension for flats (case law), Lease Extension for flats (valuation case law), case law update, residential leasehold covenants, reducing insurance risks, residential leasehold for conveyancers, and Section 20 consultation (case law).

(e) Other

Lease Conferences provided consultancy services to a Housing Association in Wales on the long leases granted across its portfolio.

1.7 Working with others

To help improve the standards in the sector we worked with the Chartered Institute of Housing and National Housing Federation, Community Housing Cymru, the Association of Residential Managing Agents, the Association of Retirement Housing Managers and RICS. LEASE is also supporting a research project undertaken by the Tenant Participation Advisory Service (TPAS) and builders Wates-Living aimed at improving landlord's engagement with their leaseholders. We will continue to support this work in 2014-15 with a view to using the outcomes to help improve engagement in the sector.

In another busy year helping people in the field, we continued to support leaseholders by working with their representative associations. These included Lewisham Tenants and Residents Association, Sydenham Hill Tenants and Residents Association, FPRA, Engage Liverpool, National Landlords Association and Islington Leaseholders Association. However, these bodies represented just some of the leaseholders that we met across England and Wales in places like Kettering, Pickering, Exeter, Liverpool, Cardiff, Newport, Christchurch, Preston, Bournemouth, Birmingham, Blackpool, Poole, Leeds and Rushcliffe.

LEASE contributed to consultations from DCLG on Protecting Local Authority Leaseholders from Unreasonable Charges, and the redress scheme for managing agents under the Enterprise and Regulatory Reform Act 2013; and from the Office of Fair Trading on the proposed scope of its Market Study. .

PERFORMANCE

2 Quality of service

2.1 Customer complaints and compliments

LEASE staff received customer care training in October 2013.

Complaints in 2013-14 equalled the numbers in the previous year at 10, but remain a small proportion of the customers we served during the year.

Table 5 Customer feedback

Customer feedback	2013-14	2012-13
Complaints	10	10
% upheld	40	50
Compliments	143	202

2.2 Performance and outcome ratings

Our suite of surveys completed by customers and in-house peer reviews continued in 2013-14 and the results are set out in the table below.

Table 6 Customer enquiries by channel

Survey	2013-14	sample size	2012-13	sample size
Telephone service	4.4 out of 5.0	88	4.6 out of 5.0	600
Email service	4.6 out of 5.0	884	4.6 out of 5.0	1,140
Office appointments	4.8 out of 5.0	228	4.8 out of 5.0	212
Rating for outcomes (2 weeks)	4.0 out of 5.0	2,671	4.0 out of 5.0	3,093
Rating for outcomes (3 months)	3.8 out of 5.0	393	N/A	N/A
Peer review	96% graded at 'A'	112	98% graded at 'A'	341

PERFORMANCE

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

Table 7 Leaseholder customer distribution by region

Region	Percentage
London	53
Southern	21
Eastern	12
Northern	6
Midlands	6
Wales	2

Table 8 Leaseholder top subjects of enquiry

Enquiry	Percentage
Service Charges	19
Lease Extension	9
Application to LVT	8
Freehold Purchase	7
Repair	6
Management	6
S20 Consultation	5

Table 9 Park home customer distribution by region

Region	Percentage
Southern	34
Eastern	26
Northern	21
Midlands	12
London	4
Wales	2

Table 10 Park Homes top subjects of enquiry

Enquiry	Percentage
Selling a Park Home	45
Site Rules	19
Pitch fees	18
Commission on Park Home sales	7
Gifted a Park home	5
Implied Terms	4
Holiday Homes	2



L E A S E

THE LEASEHOLD
ADVISORY SERVICE

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

COMPANY INFORMATION

DIRECTORS

Mr D Sagar, chair

Ms G Mariner

Mr J May

Mr J Caffrey

Ms N Mullany

Mr S Jackson

COMPANY SECRETARY

Mr A Essien (Chief Executive and Accounting Officer)

REGISTERED NUMBER

03296985

REGISTERED OFFICE

Maple House
149 Tottenham Court Road
London
W1T 7BN

INDEPENDENT AUDITOR

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

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2014

Operating and Financial Review

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.

LEASE has no loans or contracts, other than the property lease 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 professionals. 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, 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 at least five times a year, with the sponsoring officer at DCLG attending as an observer and to comment on Departmental issues and requirements. The Audit Committee, comprising five members of the Board, meets on the same cycle. A remuneration committee has been established and meets at least once a year. 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 £11,129. At the year end there were a total of 22 members of staff. The average number of staff during the year was 22.

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

	2014	2013
Mr A Essien	£65,000-£70,000	£65,000-£70,000

The fees for Directors are set out below:

	2014	2013
Mr D Sagar	£5,000-£10,000	£5,000-£10,000
Mr J Caffrey	£0-£5,000	£0-£5,000
Mr R Levene	£0-£5,000	£0-£5,000
Ms G Mariner	£0-£5,000	£0-£5,000
Mr J May	£0-£5,000	£0-£5,000
Miss N Mullany	£0-£5,000	£0-£5,000
Mr S Jackson	£0-£5,000	£0-£5,000

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2014

Statement on Internal Control

The Accounting Officer has responsibility for maintaining a sound system of internal control that supports the achievement of LEASE's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which he is personally responsible, in accordance with the responsibilities assigned to him in 'Managing Public Money'.

A budget is agreed by the Board at the beginning of each financial year. Systems of control in place relate 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. All transactions for a sum exceeding a specified amount require additional expenditure authorisation by the Chairman or specified Board Member. 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 grant-in-aid has been approved in principle on a four year basis. Years 1 and 2 of the Spending Review have been approved as fixed grants, the subsequent two years of the Review are subject to separate application and approval each year. The Treasury has agreed to roll year 4 over for the fifth year.

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 insurance. There is a user complaint policy and procedure in place accessible on the LEASE website. The system of internal control is designed to manage risk to a reasonable 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. The system of internal control has been in place in LEASE for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. The LEASE Board and Audit Committee 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 quarterly. 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 are trained in the provisions of the Act.

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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

A Essien
Chief Executive and Accounting Officer

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

BUSINESS REVIEW

The Group has exceptionally incurred a deficit of £19,418 during the year. This is largely a result of one-off costs and is covered by reserves specifically 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 recent Spending Review as well as the revenue generated by its commercial subsidiary. This is dealt with in more detail in the Statement on Internal Control.

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 increase in turnover in the year as well as a 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 on 28 May 2014 and signed on its behalf.

D Sagar
Chair

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

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 **£19,418** (2013 - profit £51,364).

DIRECTORS

The directors who served during the year were:

Mr D Sagar, chair

Mr R Levene (until 31 July 2013)

Mr J May

Ms G Mariner

Mr J Caffrey

Ms N Mullany (from 1 July 2013)

Mr S Jackson (from 2 September 2013)

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 is aware of that information.

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

D Sagar
Chair

Approved by the Directors on 28 May 2014.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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 2014, which comprise the group Profit and loss account, the group and company Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditing Practices Board'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 2014 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.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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

Date: 14 July 2014

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

		2014	2013
	Note	£	£
TURNOVER	1,2	1,404,703	1,394,509
Administrative expenses		<u>(1,424,853)</u>	<u>(1,343,940)</u>
OPERATING (LOSS)/PROFIT	3	(20,150)	50,569
Interest receivable and similar income		<u>832</u>	<u>950</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(19,318)	51,519
Tax on (loss)/profit on ordinary activities	6	<u>(100)</u>	<u>(155)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	12	<u><u>(19,418)</u></u>	<u><u>51,364</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss account.

The notes on pages 24 to 32 form part of these financial statements.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2014

			2014		2013
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	7		10,437		32,527
CURRENT ASSETS					
Debtors	9	61,857		48,825	
Cash at bank and in hand		<u>256,577</u>		<u>259,534</u>	
		318,434		308,359	
CREDITORS: amounts falling due within one year	10	<u>(72,324)</u>		<u>(64,921)</u>	
NET CURRENT ASSETS			<u>246,110</u>		<u>243,438</u>
NET ASSETS			<u><u>256,547</u></u>		<u><u>275,965</u></u>
CAPITAL AND RESERVES					
Other reserves	12		218,267		237,685
Profit and loss account	12		<u>38,280</u>		<u>38,280</u>
	13		<u><u>256,547</u></u>		<u><u>275,965</u></u>

The financial statements were approved and authorised for issue by the board on 28 May 2014 and were signed on its behalf.

D Sagar
Chair

The notes on pages 24 to 32 form part of these financial statements.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

COMPANY (LEASE) BALANCE SHEET AS AT 31 MARCH 2014

			2014		2013
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	7		10,437		32,527
Investments	8		1		1
			10,438		32,528
CURRENT ASSETS					
Debtors	9	207,899		92,484	
Cash at bank and in hand		55,004		155,014	
		262,903		247,498	
CREDITORS: amounts falling due within one year	10	(55,074)		(42,341)	
NET CURRENT ASSETS			207,829		205,157
NET ASSETS			218,267		237,685
CAPITAL AND RESERVES					
Other reserves	12		218,267		237,685
	13		218,267		237,685

The financial statements were approved and authorised for issue by the board on 28 May 2014 and were signed on its behalf.

D Sagar
Chair

The notes on pages 24 to 32 form part of these financial statements.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

		2014	2013
	Note	£	£
Net cash flow from operating activities	14	(3,689)	84,161
Returns on investments and servicing of finance	15	832	950
Taxation		(100)	(155)
Capital expenditure and financial investment	15	—	(230)
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u>(2,957)</u>	<u>84,726</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	£	£
(Decrease)/increase in cash in the year	<u>(2,957)</u>	<u>84,726</u>
MOVEMENT IN NET DEBT IN THE YEAR	(2,957)	84,726
Net funds at 1 April 2013	<u>259,534</u>	<u>174,808</u>
NET FUNDS AT 31 MARCH 2014	<u><u>256,577</u></u>	<u><u>259,534</u></u>

The notes on pages 24 to 32 form part of these financial statements.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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 applicable accounting standards.

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the income and expenditure account after or up to the date that control passes respectively. As a consolidated income and expenditure account is published, a separate income and expenditure for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

1.3 Turnover

Turnover represents grant income and amounts receivable from arranging conferences and the provision of training, excluding Value Added Tax. Grant income is principally from the DCLG supplemented by a lesser amount from the Welsh Government.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short Term Leasehold Property - over term of lease

Fixtures and Fittings - 33% on cost.

Computer Equipment - 33% on cost.

1.5 Operating leases

Rentals under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 *(continued)*

2. 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:

	2014	2013
	£	£
Department of Communities and Local Government	1,044,000	1,254,000
Welsh Government	70,000	20,000
Training and Conferences	290,703	120,509
	<u>1,404,703</u>	<u>1,394,509</u>

All turnover arose within the United Kingdom.

3. OPERATING (LOSS)/PROFIT

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

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the group	22,090	25,861
Auditor's remuneration	9,750	9,600
Operating lease rentals:		
- plant and machinery	15,571	18,746
- other	154,755	144,712
	<u>154,755</u>	<u>144,712</u>

Company only audit fees were **£7,250** (2013: £7,200)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 *(continued)*

4. STAFF COSTS

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

	2014	2013
	£	£
Wages and salaries	782,196	780,569
Social security costs	70,624	76,449
Other pension costs	73,454	69,438
	<u>926,274</u>	<u>926,456</u>

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

	2014	2013
	No.	No.
Chief executive	1	1
Professional advisers	16	16
Frontline support staff	3	3
Back office support staff	2	2
	<u>22</u>	<u>22</u>

5. DIRECTORS' REMUNERATION

	2014	2013
	£	£
Remuneration	<u>11,129</u>	<u>11,405</u>

6. TAXATION

	2014	2013
	£	£
UK corporation tax charge on (loss)/profit for the year	<u>100</u>	<u>155</u>

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 *(continued)*

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014	2013
	£	£
(Loss)/profit on ordinary activities before tax	<u>(19,318)</u>	<u>51,519</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	(3,864)	10,304
Effects of:		
Non-taxable income	<u>3,964</u>	<u>(10,149)</u>
Current tax charge for the year (see note above)	<u>100</u>	<u>155</u>

Factors that may affect future tax charges

There are no factors that are considered to affect future tax charges.

7. TANGIBLE FIXED ASSETS

Group	Short Term Leasehold Property £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
At 1 April 2013 and 31 March 2014	<u>87,525</u>	<u>60,103</u>	<u>67,015</u>	<u>214,643</u>
Depreciation				
At 1 April 2013	56,434	59,697	65,985	182,116
Charge for the year	<u>20,727</u>	<u>406</u>	<u>957</u>	<u>22,090</u>
At 31 March 2014	<u>77,161</u>	<u>60,103</u>	<u>66,942</u>	<u>204,206</u>
Net book value				
At 31 March 2014	<u>10,364</u>	<u>—</u>	<u>73</u>	<u>10,437</u>
At 31 March 2013	<u>31,091</u>	<u>406</u>	<u>1,030</u>	<u>32,527</u>

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 *(continued)*

7. TANGIBLE FIXED ASSETS (continued)

Company	Short Term Leasehold Property £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
At 1 April 2013 and 31 March 2014	<u>87,525</u>	<u>60,103</u>	<u>67,015</u>	<u>214,643</u>
Depreciation				
At 1 April 2013	56,434	59,697	65,985	182,116
Charge for the year	<u>20,727</u>	<u>406</u>	<u>957</u>	<u>22,090</u>
At 31 March 2014	<u>77,161</u>	<u>60,103</u>	<u>66,942</u>	<u>204,206</u>
Net book value				
At 31 March 2014	<u>10,364</u>	<u>—</u>	<u>73</u>	<u>10,437</u>
At 31 March 2013	<u>31,091</u>	<u>406</u>	<u>1,030</u>	<u>32,527</u>

8. FIXED ASSET INVESTMENTS

Company £	Investment in subsidiary
Cost or valuation	
At 1 April 2013 and 31 March 2014	<u>1</u>
Net book value	
At 31 March 2014	<u>1</u>
At 31 March 2013	<u>1</u>

Details of the principal subsidiaries can be found under note number 19.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 *(continued)*

9. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	8,315	13,891	545	—
Amounts owed by group undertakings	—	—	157,812	57,550
Other debtors	23,490	8,205	23,490	8,205
Prepayments and accrued income	30,052	26,729	26,052	26,729
	<u>61,857</u>	<u>48,825</u>	<u>207,899</u>	<u>92,484</u>

10. CREDITORS:

Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	14,513	14,028	10,751	8,374
Other taxation and social security	36,755	25,345	25,867	22,149
Accruals and deferred income	21,056	25,548	18,456	11,818
	<u>72,324</u>	<u>64,921</u>	<u>55,074</u>	<u>42,341</u>

11. 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.

12. RESERVES

Group	Other reserves	Profit and loss account
	£	£
At 1 April 2013	237,685	38,280
Loss for the financial year		(19,418)
Transfer between reserves	(19,418)	19,418
At 31 March 2014	<u>218,267</u>	<u>38,280</u>

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 *(continued)*

21. RESERVES (continued)

	Other reserves	Profit and loss account
Company	£	£
At 1 April 2013	237,685	
Loss for the financial year		(19,418)
Transfer between reserves	(19,418)	19,418
At 31 March 2014	<u>218,267</u>	<u>—</u>

13. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2014	2013
Group	£	£
Opening members' funds	275,965	224,601
(Loss)/profit for the financial year	(19,418)	51,364
Closing members' funds	<u>256,547</u>	<u>275,965</u>

	2014	2013
Company	£	£
Opening members' funds	237,685	186,322
(Loss)/profit for the financial year	(19,418)	51,363
Closing members' funds	<u>218,267</u>	<u>237,685</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss account.

The (loss)/profit for the year dealt with in the accounts of the company was £19,418 (2013 - £51,363).

14. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating (loss)/profit	(20,150)	50,569
Depreciation of tangible fixed assets	22,090	25,861
Increase in debtors	(13,031)	(3,914)
Increase in creditors	7,402	11,645
Net cash (outflow)/inflow from operating activities	<u>(3,689)</u>	<u>84,161</u>

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 *(continued)*

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	<u>832</u>	<u>950</u>
	2014	2013
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>—</u>	<u>(230)</u>

16. ANALYSIS OF CHANGES IN NET FUNDS

	1 April	Cash flow	Other	31 March
	2013		non-cash	2014
	£	£	£	£
Cash at bank and in hand	<u>259,534</u>	<u>(2,957)</u>	—	<u>256,577</u>
Net funds	<u>259,534</u>	<u>(2,957)</u>	<u>—</u>	<u>256,577</u>

17. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £73,454 (2013 - £69,438).

There were no outstanding contributions at the 31 March 2014 (2013 - £nil).

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 *(continued)*

18. OPERATING LEASE COMMITMENTS

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
Group	£	£	£	£
Expiry date:				
Within 1 year	68,000	—	—	—
Between 2 and 5 years	—	170,400	15,571	18,746

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
Group	£	£	£	£
Expiry date:				
Within 1 year	68,000	—	—	—
Between 2 and 5 years	—	170,400	15,571	18,746

19. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Lease Conferences Limited	England	100	Conferences and training

ANNEX A: 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 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.

ANNEX A: ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE

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

ANNEX A: ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE

- (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.*

ANNEX B: LEASE'S KEY PERFORMANCE INDICATORS

Objective	Dates	KPIs	Comments
1. Advice on residential leasehold law	a) By 31 March 2014	a) Respond to 42,500 substantive enquiries with 50% emanating from outside London & SE. target collaborations with 8 organisations to assist in advice provision.	a) 40,647 (96%) and 47% from outside London and SE. Collaborated with 5 ALEP members in providing additional advice for leaseholders, and seven more have agreed to support the service in 2014-15.
	b) By 31 March 2014	b) Aim to respond to 80% of enquiries requiring written advice within 5 working days and 100% within 15 working days.	b) 52% in 5 working days and 80% in 15 working days
	c) By 31 March 2014	c) 90% of advice work reviewed by Peer Review to be graded 'A'.	c) 96% of advice work reviewed by Peer Review graded 'A'.
	d) By 31 March 2014	d) Average 4.5 across all customer quality surveys.	d) Average 4.5 for 2 out of five surveys and 4.4 (telephone) and, 4 (2 – week outcomes) and 3.8 (3 month outcomes)
	e) By 30 September 2013	e) Produce independent report on advice quality audit and assurance processes.	e) completed August 2013

ANNEX B: LEASE'S KEY PERFORMANCE INDICATORS

Objective	Dates	KPIs	Comments
2. Assisting leasehold customers	a) By 31 March 2014	a) Collaborate with other organisations and conduct 65 leaseholder outreach events.	a) 64 events conducted of which 54 leasehold
	b) By 31 March 2014	b) Create online service to help leaseholders understand and their dispute and the options for its resolution	b) Online service to help leaseholders understand their dispute and the options for its resolution is in development.
	c) By 1 November 2013	c) Complete online glossary of leasehold jargon	c) Completed March 2014
	d) By 31 August 2013	d) Implement out-of-hours telephone advice pilot project using professional volunteers.	d) Implemented June 2013
	e) On-going	e) Continue LEASE@LVT service at London LVT	e) Continued throughout the year.
	f) By 31 December 2013	f) Publish first of five leasehold podcasts	f) 12 new podcasts added during the year with first published April 2013.
	g) By 30 September 2013	g) Begin publishing webinars aimed at leaseholders with associated Q&A	g) First webinar published November 2013
	h) By 31 March 2014	h) Create guide for leaseholders for endorsement by Council of Mortgage Lenders.	h) Draft guide submitted to CML in March 2014
	i) On-going	i) Continue to work with FPRA and other bodies representing leaseholders locally and nationally to inform and educate their members about their rights and obligations as leaseholders; and help solve their problems through varied offerings including advice surgeries and online services.	i) LEASE continued to work with FPRA and others including Engage Liverpool.

ANNEX B: LEASE'S KEY PERFORMANCE INDICATORS

Objective	Dates	KPIs	Comments
3. Work with industry to support rising of standards	Ongoing	a) Continue to develop working relations with the professions and trade bodies with an interest in leasehold.	a) LEASE supported the work on revisions to the Codes of Practice by the RICS and ARHM; LEASE participated in a roundtable on ARMA-Q organised by ARMA.
		b) Contribute articles for professional associations including ARMA, RICS, and NFOPP.	b) LEASE provided an article for the Law Society's 'Property in Practice' magazine and has agreed to provide leasehold information for the RICS' i-surv service for its members inn2014-15; the Housing Minister providing a keynote presentation at LEASE's 2013 Annual Conference on 21 May 2013.
		c) Continue to work with NHF, CIH, and DCLG towards improving professional standards of management of residential leasehold property in the social sector.; and private sector organisation including National Landlords Association, Residential Landlords Association, British Property Federation.	c) LEASE provided speakers to both NHF and CIH conferences and seminars on leasehold home ownership. LEASE provided assistance to DCLG on questions arising from proposed redress scheme for managing agents under the Enterprise and Regulatory Reform Act 2013.
		d) Continue to develop working relationships with First-Tier Tribunal (Property Chamber) (including user groups) and Housing Ombudsman (including stakeholder forums).	d) The Housing Ombudsman (HO) agreed to speak at LEASE's 2014 Annual Conference and HO provided a podcast about the role of HO in leasehold dispute resolution; LEASE attended user group meetings at the First-tier Tribunal (Property chamber) (FTT) during the year and the Senior President of the FTT spoke at LEASE's 2014 Annual Conference.

ANNEX B: LEASE'S KEY PERFORMANCE INDICATORS

<i>continued from previous page</i>			
3. Work with industry to support rising of standards	Ongoing	e) Provide reports, discussion papers, and responses to government consultations as appropriate.	e) LEASE responded to consultation papers from DCLG on Protecting Local Authority Leaseholders from Unreasonable Charges, and the redress scheme for managing agents under the Enterprise and Regulatory Reform Act 2013; and from the Office of Fair Trading on the proposed scope of its Market Study.
4. Website (leasehold)	By 31 March 2014	Achieve 700,000 unique visitors to LEASE website.	Achieved 709,196 unique visitors by 31 March 2014.
5. NDPB matters	a) Quarterly basis (June/Sept/ Dec/March)	a) Monitoring information/statistics; complete appropriate NDPB returns for DCLG	a) Monitoring information was provided during the year as due and for all regular reports and impromptu requests.
	b) In draft by 30 May 2013 and final report by 15 July 2013	b) Annual report 2012/13	b) The draft report was provided to DCLG on 26 June 2013 and the final report was placed in the electronic official publications collection in the Houses of Parliament on 27 August 2013.
	c) By 31 March 2014	c) Update LEASE Corporate Plan	The 2014-17 Corporate Plan is under review.
	d) By 31 March 2104	Welsh Government d) Complete annual workplan agreed with Welsh Government	d) and e) Monitoring information was provided throughout the year and workplan completed satisfactorily. Funding has been awarded for 2014-15.
	e) Quarterly basis	e) Send monitoring data to Welsh Government (WG)	
General	Ongoing	Continue to advise and liaise with DCLG and WG officials and ministers on residential leasehold issues	Ongoing

ANNEX C: LEASE CONFERENCES KPIs

Objective	Dates	KPIs	Comments
1. Develop, implement and build on services that support frontline service provision	a) By 31 March 2014	a) Conduct 10 fee-paying webinars	a) Conducted ten webinars by 31 March 2014
	b) By 31 March 2014	b) Sell 100 recordings of webinars.	b) sold 103 recordings by 31 March 2014
	c) By 31 March 2014	c) Conduct 10 fee-paying in-house training sessions.	c) None were conducted during the year.
	d) By 31 March 2014	d) Conduct 10 fee-paying classroom training sessions.	d) 15 classroom sessions were held.
	e) By 30 July 2013	e) Fee paying website directory with varied offerings, and consequential pricing, for those listing.	e) Implemented June 2013.
	f) By 31 December 2013	f) Access to summarised LVT decisions to be based on payment of a fee.	f) Access to summarised LVT decisions to be based on payment of a fee is in development.
	g) By 28 February 2014	g) Advertising on LEASE homepage.	g) Advertising on LEASE's homepage was ready in April 2014
	h) By 31 March 2014	h) Develop LEASE accreditation for leasehold training and standard.	h) LEASE accreditation for leasehold training and standard is in development.
	i) By 31 March 2014	i) Ensure arrangements for April 2014 conference are developed and progressed sufficiently to enable the Conference to take place – including consideration of the Government spending controls.	i) LEASE's 2014 Annual Conference took place on 3 April 2014.

ANNEX C: LEASE CONFERENCES KPIS

Objective	Dates	KPIs	Comments
2. Park homes	a) By 30 July 2013	a) Create Park Homes microsite	a) Park Homes microsite online on 2 August 2013.
	b) By 31 March 2014	b) Collaborate with others to conduct 8 advice surgery/workshop events.	b) 11 advice surgery/workshop events were conducted through collaboration with others by 31 March 2014
	c) By 31 March 2014	c) Conduct 4 fee-paying in-house classroom training sessions.	c) No fee paying in-house classroom sessions were conducted for Park Homes.
	d) By 31 October 2013 e) By 31 March 2014	d) Create podcasts on Park Homes: (i) introduction (ii) buying and selling; and (iii) gifting	d) Podcasts are in development
		e) Respond to 1,000 substantive enquiries	e) LEASE addressed 886 substantive Park Home enquiries by 31 March 2014.

ANNEX D: WHO WE ARE AND WHAT WE DO

Who we are

The Leasehold Advisory Service (LEASE) 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 part of the funding.

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

What we do

We support people to solve their problems relating to leasehold housing in England and Wales. We offer legal advice, information and training. We do not represent anyone, but guide customers towards an appropriate avenue. Customers include leaseholders, landlords (including lessee-owned and managed) and professionals including lawyers, managing agents and valuers. We also now help people on park homes.

BOARD AND OFFICERS

Board:

LEASE is governed by a Board appointed by the Secretary of State for Communities and Local Government.

Chair:	Deep Sagar	(independent)
Members:	Justin Caffrey	
	Robert Levene	(until 31 July 2013)
	Geneviève Mariner	
	John May	
	Nicola Mullany	(from 1 July 2013)
	Steven Jackson	(from 2 September 2013)

Lease Conferences Ltd is governed by a board composed of the same membership.

Audit Committee:

The Board is advised by an audit committee, comprising the following:

Chair:	Justin Caffrey
Members:	Robert Levene (until 31 July 2013)
	Geneviève Mariner
	Deep Sagar
	John May
	Nicola Mullany (from 2 December 2013)
	Steven Jackson (from 2 December 2013)

Remuneration Committee:

The Board is advised by a remuneration committee, comprising the following:

Chair:	Deep Sagar
Members:	Justin Caffrey
	Robert Levene (until 31 July 2013)
	Geneviève Mariner
	John May
	Nicola Mullany (from 2 December 2013)
	Steven Jackson (from 2 December 2013)

Chief Executive and Company Secretary:

Anthony Essien is Chief Executive and Company Secretary and runs both LEASE and Lease Conferences day-to-day.

Interests: Board members' interests are registered with the Company Secretary and are available on request.

Internet service: www.lease-advice.org

Registered Office: Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX (From 1 July 2014)
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