

**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr S Jackson Ms N Mullany (resigned 22 May 2018) Mr R Southam (resigned 13 April 2018) Mr T Kazi Mrs V T Elvidge Ms W Goldwag (appointed 7 January 2019)
<b>Company secretary</b>	Mr A Essien (Chief Executive and Accounting Officer)
<b>Registered number</b>	03296985
<b>Registered office</b>	Fleetbank House 2-6 Salisbury Square London EC4Y 8JX
<b>Independent auditor</b>	Beever and Struthers Chartered Accountants & Statutory Auditors 15 Bunhill Row London EC1Y 8LP
<b>Internal auditor</b>	Kreston Reeves LLP Third Floor 24 Chiswell Street London EC1Y 4YX
<b>Accountants</b>	MHA MacIntyre Hudson New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

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## THE LEASEHOLD ADVISORY SERVICE

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2019

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#### [Chair's Foreword](#)

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This is my first foreword as the new interim Chair of LEASE, having only joined the organisation in the last quarter of the year when I succeeded Roger Southam.

Although I am new to LEASE, I am not unfamiliar with its work. As Chairman of the Legal Ombudsman I have come to be increasingly aware of the challenges that leasehold presents to consumers, and have been an admirer of LEASE's work in helping them.

2018-19 has been a challenging one for the service. The issue of greatest moment for LEASE has undoubtedly been the publication of MHCLG's review of advice and support for leaseholders in England ('the review'). This was a very thorough report and, with MHCLG undertaking an unprecedented amount of work to tackle abuses and unfair practices in the leasehold market, it took some time in coming. My aim is to take the clear steer given by the review and, working with MHCLG, make the changes and improvements that will see LEASE meet its vision of being trusted and universally acknowledged as the 'go to' source for free high quality and impartial leasehold and park home advice.

We have work to do, but we have already taken steps to address one of the recommendations in the review, to make better use of our data. That work culminated in the launch of 'Project Open Door', a mere 48 hours after the end of 2018-19. We see it as just the start of change and development at LEASE to better support leaseholders and park home owners.

I would like to extend my appreciation to two Directors who left the Board during this year, Roger Southam, my predecessor as Chair; and Nicola Mullany.

Finally, I, and the rest of LEASE's Board look forward to working with LEASE's senior management team in 2019-20. That team leads an organisation that is staffed by highly motivated and talented individuals committed to helping ordinary people. Just one example of this is our adviser, Anna Tomasik, who won the 2018 Wow! Awards' Customer Commitment Award. A testament to the fact that although the year ahead will be testing, we have the people and intent to make it a success.

Wanda Goldwag

Interim Chair

30 May 2019

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2019

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#### Chief Executive's Report

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I can think of no previous time when policy on residential leasehold has seen so much policy reform activity. Government's work includes:

- Remove the possibility of onerous ground rent in future;
- Reinvigorate Commonhold (Law Commission project);
- End the use of leasehold on new build houses in future;
- Improving the home buying and selling process;
- Provide freeholders who pay 'estate rentcharges' (ie service charges) with (a) the same rights as leaseholders to challenge them and (b) remove inequitable rights, such as possession, for non-payment;
- Regulate managing agents, including the need for professional qualifications;
- Make the process of purchasing a freehold or extending a lease much easier, faster and cheaper. (Law Commission project);
- Make the Right to Manage work better for leaseholders (Law Commission project); and
- Ensure that residents of unsafe high-rise residential buildings with Aluminium Composite Material (ACM) cladding have the buildings made safe through a fund to meet the cost of cladding removal.
- Enact the majority of the Law Commission's 2017 recommendations to protect older people and their families against 'event fees' being charged in unfair circumstances.

A busy time indeed for the sector, and no less so for LEASE. We served more customers in 2018-19 than in the previous year and all whilst maintaining encouraging scores from our customer surveys. We also submitted substantive responses to both MHCLG and the Law Commission consultations, including 'Strengthening consumer redress in the housing market' and 'Leasehold home ownership: exercising the right to manage'

Focusing on delivery continued as we awaited the outcome of MHCLG's review of advice and support for leaseholders (the Review). Its overarching message for LEASE was that whilst our advice services are generally viewed positively, we need to change to better serve our customers. The Review's positive findings are a tribute to the hard work and dedication of LEASE's staff.

During the last quarter of the year work began on organising and implementing the changes arising for the Review. This included the arrival of our new interim Chair Wanda Goldwag in January. In no time at all she has set out engage with a range of stakeholders and shown the staff her high level of commitment to LEASE and our customers. I am grateful together and the rest of LEASE's Board for their support.

I was greatly encouraged by the staff responses to 'My Team' (94%); My Manager (89%) and Learning & Development (66%) in our Annual Staff Survey in that they not only exceeded last year's results, but also our ambition for 2018-19. The views of our staff are vital to our work and we will look to rank amongst the best government departments in next year's survey as we move to using the Civil Service People Survey.

In 2019-20 we will continue to work hard to change and deliver better services to our leasehold and park home customers. I am confident we will meet the inevitable challenges that come with change.

Anthony Essien

Chief Executive  
30 May 2019

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2019

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#### Who we are

LEASE is an Executive Non-Departmental Public Body whose principal sponsor is the Ministry of Housing, Communities and Local Government (MHCLG). The Welsh Government (WG) also provides grant funding. LEASE works at 'arm's length' from both English and Welsh governments as an independent organisation.

Our vision is for LEASE to be trusted and universally acknowledged as the 'go to' source for free high quality and impartial leasehold and park home advice.

#### What we do

Our mission is to empower leaseholders and park home owners through initial advice and information to engage more confidently with third parties like freeholders and site owners.

We frame our efforts, to achieve our vision and in implementing our mission, by performing our duties:

- On a pro-leaseholder and park home owner basis - acting for/representing the interests of leaseholders & park home owners.
- Independently – function impartially, apolitical and arm's length from government.
- With quality - provide a professional service to our customers and keep high standards as a constant aspect of our service delivery.
- Accessibly – deliver services and in a way that makes them as accessible as we can for customers and in every way we can.

We meet the challenges of our mission through services that include:

- A website containing leasehold and park homes advice, guides, podcasts, webinars and First-tier-tribunal (Property Chamber) decisions, and Welsh specific guidance.
- Leasehold, park homes and fire safety outreach work across England and Wales, including attendance at MP, Assembly Member and councillor surgeries when requested to provide advice and workshops.
- Specialist leasehold and park homes helpline and written advice service
- Dedicated webpage, helpline and other services to ensure that leaseholders in high rise buildings with fire safety issues including Aluminium Composite Material (ACM) cladding are aware of their rights and are supported to understand the terms of their leases.
- Collaborating with, and supporting other organisations, to provide assistance to leaseholders and park home owners.
- Assisting MHCLG, WG and others on leasehold and park home policy issues.

#### PERFORMANCE

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LEASE achieved 17 of its 24 objectives during the year. These objectives included 18 that were identified as key performance indicators; of these 14 were met or exceeded. Further details appear below; and other achievements during 2018-19 are set out in Annex A.

## THE LEASEHOLD ADVISORY SERVICE

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2019

Goal	Objectives	Outcome
Position LEASE as the primary source of free high quality initial advice on residential leasehold and park homes in England and Wales.	<ol style="list-style-type: none"> <li>1. Achieve 848,000 advice guide downloads in the period</li> <li>2. Achieve 846,000 FAQ downloads in the period</li> <li>3. Complete 25,500 enquiries in England in the period.</li> <li>4. Collaborate with two relevant organisations to grow their capacity to support leaseholders</li> <li>5. Achieve an average of 4.5 out of 5 in customer satisfaction surveys (telephone, written and outreach)</li> <li>6. Address 75% of written enquiries within 10 working days</li> <li>7. Hold all phone advice sessions within two working days of customer requesting call</li> <li>8. Arrange outreach events within 10 working days of request</li> </ol>	<ol style="list-style-type: none"> <li>1. 848,691 advice guide downloads in the period</li> <li>2. 852,393 FAQ downloads in the period</li> <li>3. 26,971 enquiries in England completed in the period.</li> <li>4. During the period we helped grow the capacity of other organisations to help leaseholders by: <ol style="list-style-type: none"> <li>a. Providing training to the Homeowners Alliance; and</li> <li>b. Collaborating with RightMove to create guidance for prospective leaseholders on the implications of leasehold ownership.</li> </ol> </li> <li>5. Our average was 4.5 out of 5.</li> <li>6. 82% of written enquiries were addressed within 10 working days</li> <li>7. 66% of all phone advice sessions were held within two working days of customer requesting call</li> <li>8. All outreach events were arranged within 10 working days of request</li> </ol>

Goal	Objectives	Outcome
Support leaseholders in high rise building in England as the primary source of free high quality initial advice as regards fire safety in high-rise buildings.	<ol style="list-style-type: none"> <li>1. Achieve 43,500 visits to the Fire Safety page</li> <li>2. Achieving 68,000 page views for the Building Safety pages</li> <li>3. LEASE advisers complete 1,400 Building Safety enquiries.</li> <li>4. Customer satisfaction surveys average 4.5 out of 5 (telephone, written and outreach)</li> <li>5. 75% of written enquiries addressed in 10 working days.</li> <li>6. Advice sessions held within two working days of customer requesting call.</li> <li>7. 11 outreach sessions held.</li> <li>8. Outreach events arranged within 10 working days of request.</li> </ol>	<ol style="list-style-type: none"> <li>1. Achieved 60,751 visits to the Building Safety page</li> <li>2. Achieved 101,936</li> <li>3. LEASE advisers completed 718 enquiries</li> <li>4. Our average was 4.6 out of 5.</li> <li>5. 86% of written enquiries were addressed within 10 working days</li> <li>6. 93% of telephone advice sessions were held within two working days of customer requesting call</li> <li>7. 8 outreach session were held during the year</li> <li>8. All outreach events were arranged within 10 working days of request</li> </ol>

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2019

Goal	Objectives	Outcome
Raise awareness of LEASE's services and to work with other organisations in the advice sector to improve the support available and maximise the number of leaseholders who receive timely advice.	<ol style="list-style-type: none"> <li>1. Achieve 27,760 visits to LEASE's fire safety pages</li> <li>2. Increase use of social media and engagement with national and local media and outreach events throughout the period</li> <li>3. Complete Communication Strategy by 30 November 2018</li> </ol>	<ol style="list-style-type: none"> <li>1. 49,885 visits were generated in Q3 and Q4 2018-19 compared to 10,866 in Q1 and Q2.</li> <li>2. Social media activity increased by 179% during the year and engagement with national and local media and outreach events throughout the period.</li> <li>3. The Communication Strategy was completed in March 2019</li> </ol>

Goal	Objectives	Outcome
Use LEASE's data, knowledge and insight to inform the sector by highlighting trends and anomalies and influence improvement in the sector.	Create a data page on the LEASE website by 31 March 2019 and establish a process for dissemination of information within the sector.	A data page was completed by 31 <sup>st</sup> March and data was published under 'Project Open Door' on 2 <sup>nd</sup> April 2019.

Goal	Objectives	Outcome
Make LEASE an excellent opportunity for all our staff to develop their careers.	<ol style="list-style-type: none"> <li>1. By 31 March 2019 achieve agreement with two relevant organisations for LEASE staff to have short-term placements.</li> <li>2. Raise staff survey scores for               <ul style="list-style-type: none"> <li>o My Team to 85%;</li> <li>o My Manager to 86%;</li> <li>and</li> <li>o Learning &amp; Development to 60%</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. This was not achieved during the year.</li> <li>2. Staff survey scores were as follows:               <ul style="list-style-type: none"> <li>o My Team: 94%</li> <li>o My Manager: 89%</li> <li>o Learning &amp; Development 66%</li> </ul> </li> </ol>

Goal	Objectives	Outcome
Ensure LEASE operates as an efficient public service and responds to the recommendations of the MHCLG internal review of advice and support to leaseholders.	<ol style="list-style-type: none"> <li>1. Preparations completed for 2018-19 annual audit of financial statements by 31 March 2019.</li> <li>2. Maintain Cost per Customer at less than £1.10 by 31 March 2019.</li> </ol>	<ol style="list-style-type: none"> <li>1. Achieved</li> <li>2. Cost per customer in 2018-19 was £1.02</li> </ol>



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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2019

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#### Examples of our impact

- *Freeholder drops subletting fee*

Ms K is a leaseholder with a flat in Thornaby operated as a buy-to-let. The freeholder sent her a letter requesting a fee of £160 to sublet the flat, stating that “consent is required from the Landlord upon every new subletting”. The letter made no reference to any terms of the lease for the flat.

Ms K spoke to a LEASE adviser who recommended asking the freeholder to be specific about which clause in the lease they were relying on in seeking payment for this fee. The LEASE adviser guided Ms K to the section of the lease where this could have been specified but plainly it was not. Ms K referenced this section in her letter to the freeholder. Ms K also advised the freeholder that she had received advice from LEASE and that the adviser had seen a copy of the lease.

Within five days of receiving her letter, the freeholder replied agreeing that the lease wording was “ambiguous” and withdrew their demand for the subletting fee.

- *Reduction in management fees*

Ms L is leaseholder of a registered provider (housing association) paying £300 per month in service charges and with an end of year account showing nothing more owing above estimated budget.

To their surprise, all the leaseholders then received a £2,000 bill for “third party” managing agents, although they already pay an 18% administration fee to the landlord. The landlord would not provide further details about this third party charge.

LEASE advised that this sounded strange and that, on the face of it, Ms L (and the other leaseholders) should not pay two lots of management fees amounting to 28% in total. LEASE advised that ultimately an application can be made to the First-tier Tribunal (Property Chamber) to ask them to determine whether this charge was payable and/or reasonable.

In the end, strengthened by the advice from LEASE, the leaseholders challenged the landlords and achieved a reduction in the management fees from 20% to 8%.

Ms L said: “The advice from LEASE was very helpful. Also, it was supporting and motivating for all the residents who also spoke to LEASE. So thank you very much for all your help.”

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- **LEASE Adviser wins Wow! Awards' 2018 Customer Commitment Award**



LEASE Adviser, Anna Tomasik won the 2018 Wow! Awards' Customer Commitment Award. There were over 20,000 nominations, covering organisations and people from around the world, and 40 finalists. So, a tremendous achievement to have been nominated, let alone to win.

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2019

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#### ANNEX A: Other achievements in the last 12 months

1. We supported leasehold reform in England through:
  - a. Participating in MHCLG's Section 20 Technical group;
  - b. Participating in the Regulation of Property Agents Working Group chaired by Lord Best;
  - c. Providing a written submission to the Housing Communities and Local Government Select Committee's inquiry into the Government's leasehold reform programme, and our Chief Executive also gave oral evidence to the Committee;
  - d. Submitting samples of onerous leases to, and meeting with, MHCLG to discuss the variation in such leases, by type and effect; and
  - e. Assisted the Law Commission in alerting leaseholders to its consultation events for leaseholders on reforms to commonhold and to the Right to Manage
2. We supported improvement for homeowners in the park home sector in England through our participation in MHCLG's Park Homes Working Group.
3. We supported improving the home buying and selling process in England by:
  - a. Submitting comments on MHCLG's draft 'How to buy' and 'How to sell' guides planned for Gov.UK
  - b. Participating in the work of the Home Buying and Selling Group
4. We supported leasehold reform in Wales through our participation in the Welsh Government's Residential Leasehold Reform Task and Finish Group during the year; and improvement in the park home sector in Wales through participation in WG's Residential Park Homes Stakeholder Group.
5. We responded to MHCLG's consultation 'Strengthening consumer redress in the housing market'; and to the following Law Commission consultations:
  - a. 'Leasehold home ownership: buying your freehold or extending your lease'
  - b. 'Reinvigorating commonhold: the alternative to leasehold ownership'; and
  - c. 'Leasehold home ownership: exercising the right to manage'
6. 10 articles on leasehold topics were added to the website during the year and 12 park homes articles were published in Park Home and Holiday Caravan magazine.
7. 51 outreach events were undertaken in England and Wales during the year.
8. We updated our online lease extension calculator during the year.

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### OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2019

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#### ANNEX B: TABLES AND FIGURES

Table 1 Online customers

	<b>2018-19</b>	<b>2017-18</b>	<b>% +/-</b>
Unique visitors	<b>968,527*</b>	1,000,561	-
Visits	<b>1,530,864*</b>	1,578,991	-
% from outside London & Southeast	<b>48%</b>	45%	+3%
Advice guide downloads	<b>848,691</b>	853,542	-0.6%

\*UK only

Table 2 Customers via other channels

<b>Channel</b>	<b>2018-19</b>	<b>2017-18</b>	<b>% +/-</b>
Telephone	<b>19,154</b>	14,821	29.2%
Email/letter	<b>8,244</b>	7,267	13.4%
Personal Appointment	<b>79</b>	119	-33.6%
Total customers**	<b>19,190</b>	16,428	16.8%
Total enquiries	<b>27,477</b>	<b>22,207</b>	<b>24%</b>

Table 3 Examples of Wales service

<b>Channel</b>	<b>2018-19</b>	<b>2017-18</b>	<b>% +/-</b>
Unique visitors to internet service	<b>22,426</b>	20,562	9%
Enquiries via other channels	<b>506</b>	438	15.5%

Table 4 Customer Feedback

	<b>2018-19</b>	<b>2017-18</b>
Complaints	<b>6</b>	5
% Upheld	<b>0</b>	20%
Compliments and Wow! Awards	<b>305</b>	110

Table 5 Customer survey results by channel

<b>Survey</b>	<b>2018-19</b>	<b>Sample size</b>	<b>2017-18</b>	<b>Sample size</b>
Telephone service	4.6 out of 5.0	1,987	4.4 out of 5.0	1,299
Email/letter	4.4 out of 5.0	1,331	4.6 out of 5.0	525
Personal appointment	5.0 out of 5.0	8	5.0 out of 5.0	13

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**OPERATING AND FINANCIAL REVIEW  
FOR THE YEAR ENDED 31 MARCH 2019**

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Figure 1 Leasehold – customer distribution by region

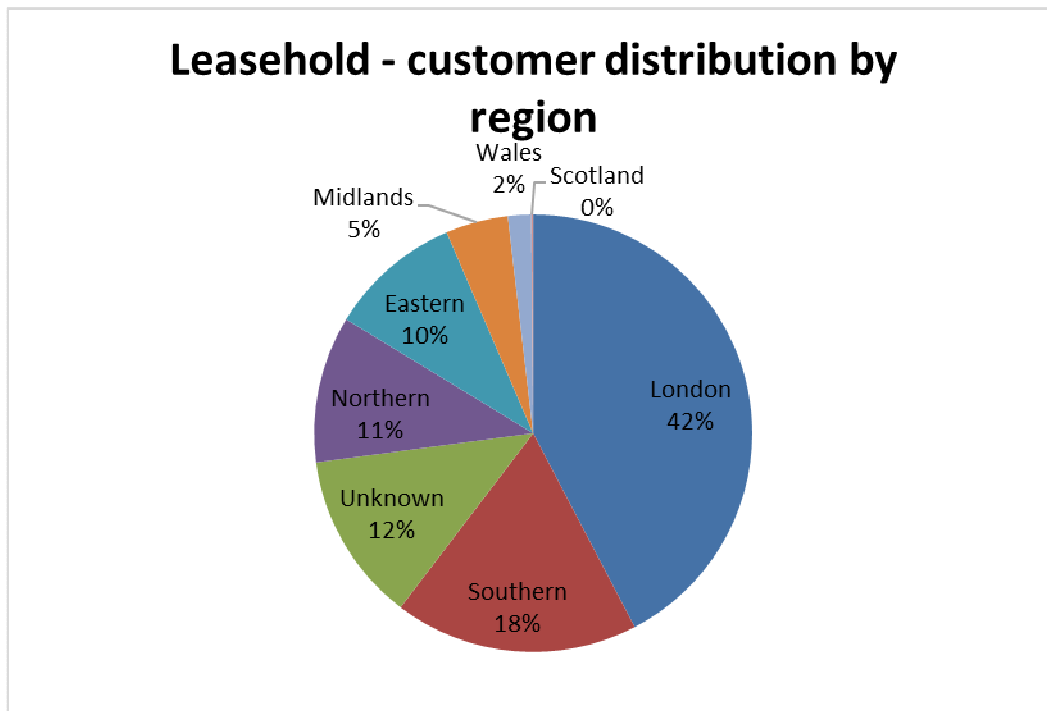
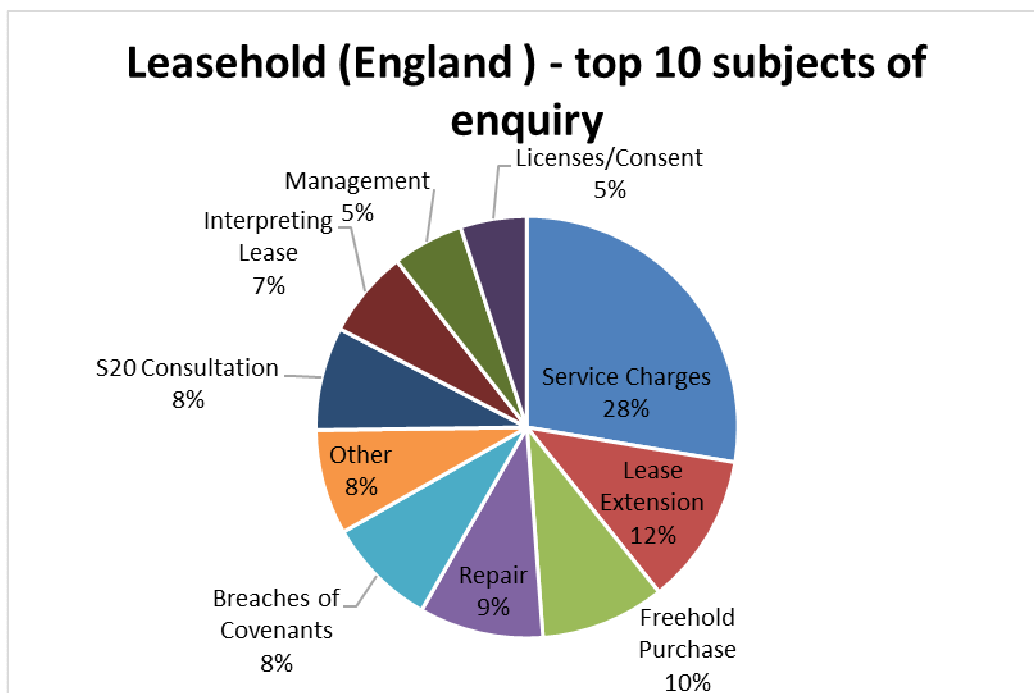


Figure 2 Leasehold (England) – top 10 subjects of enquiry



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Figure 3: Leasehold (Wales) – top 10 subjects of enquiry

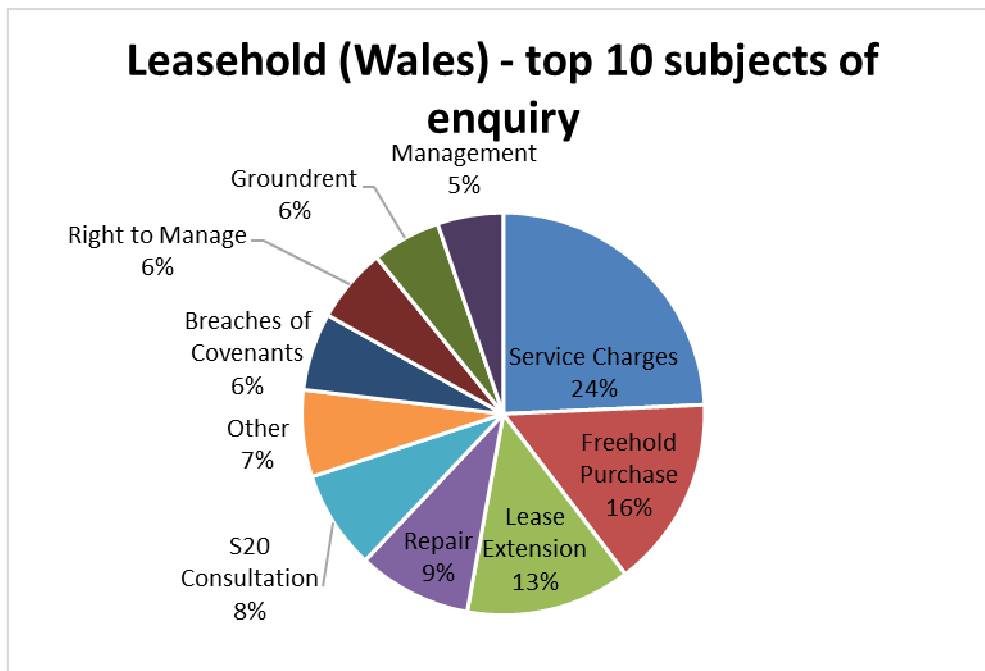
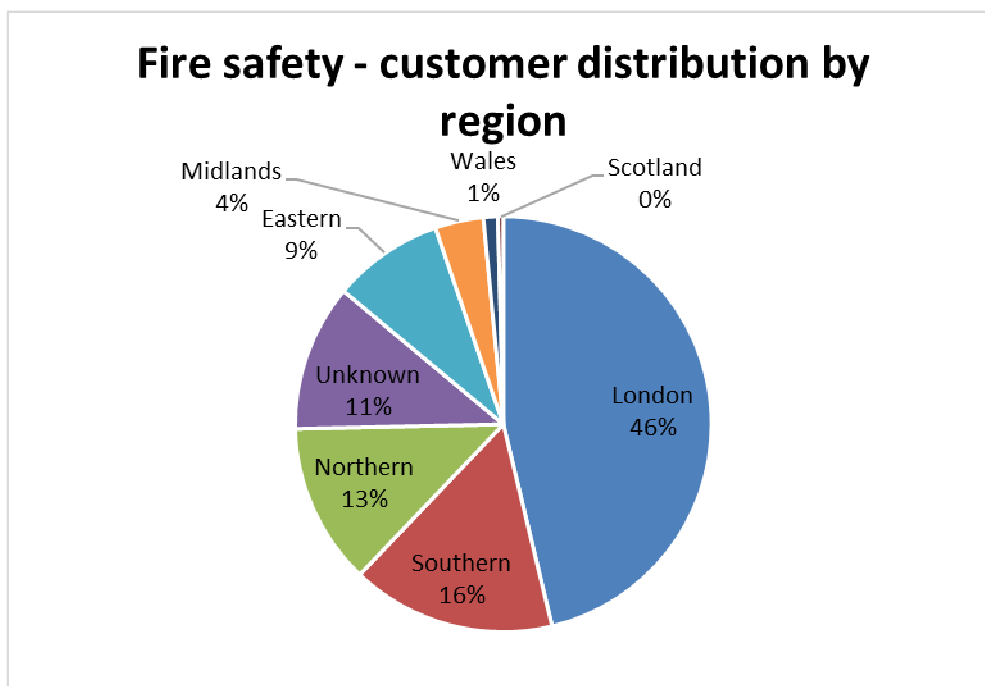


Figure 4 Fire Safety - customer distribution by region



OPERATING AND FINANCIAL REVIEW  
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Figure 5 Fire Safety - top subjects of enquiry

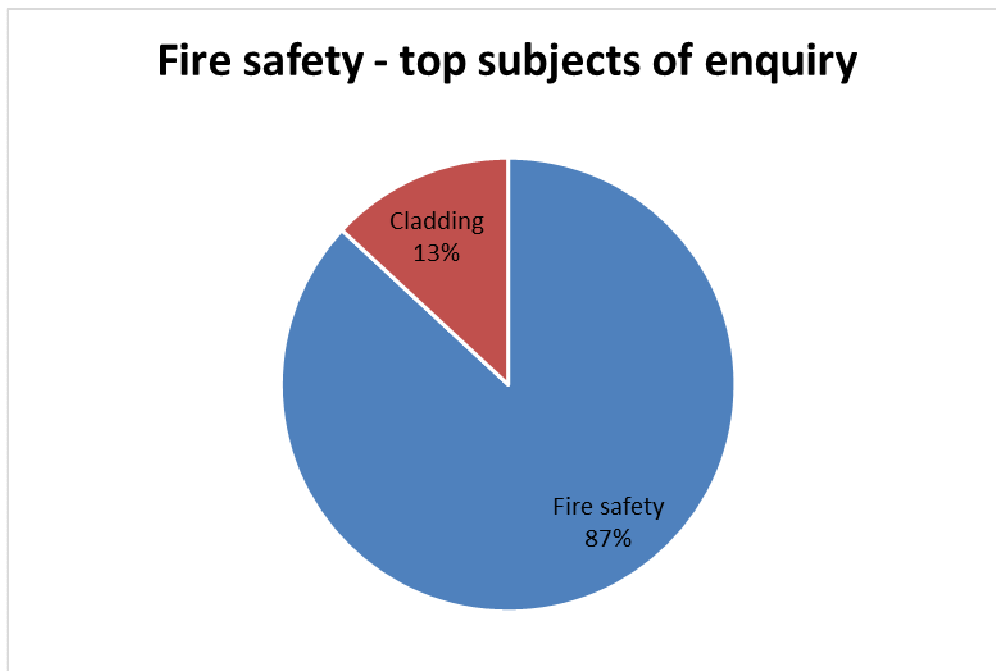
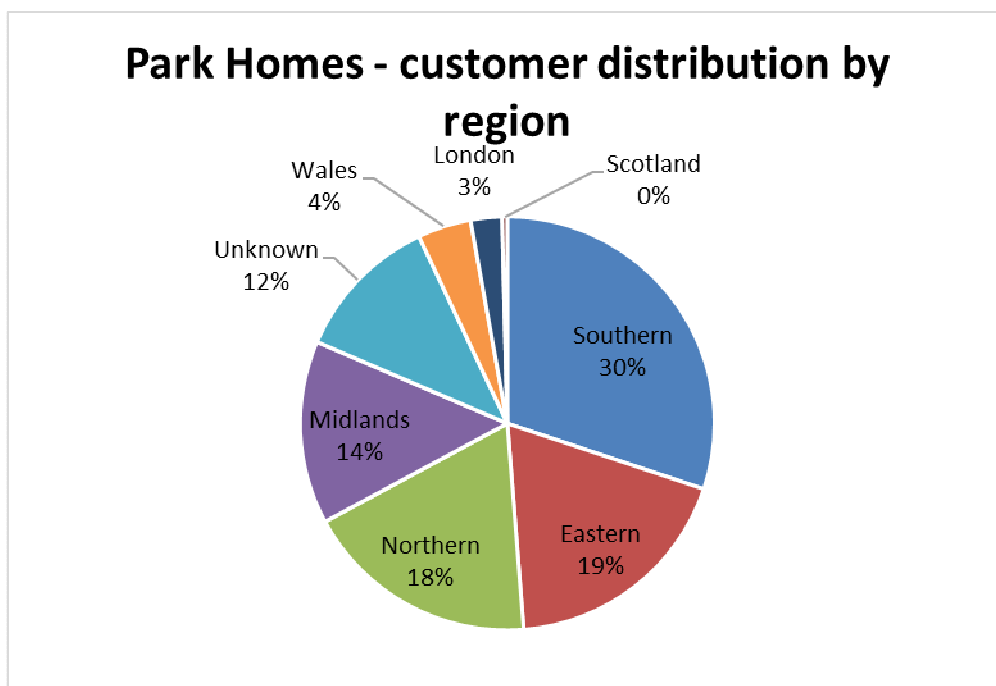


Figure 6 Park Homes – customer distribution by region



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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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The Directors present their report and the financial statements for the year ended 31 March 2019.

**Principal activity**

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 surplus for the year, after taxation, amounted to £46,525 (2018 - deficit£71,467).

**Directors**

The Directors who served during the year were:

Mr S Jackson  
Ms N Mullany (resigned 22 May 2018)  
Mr R Southam (resigned 13 April 2018)  
Mr T Kazi  
Mrs V T Elvidge  
Ms W Goldwag (appointed 7 January 2019)

**Principal risks and uncertainties**

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

**Financial key performance indicators**

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

**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.



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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**Directors' responsibilities statement**

The Directors are responsible for preparing the Annual Report and the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless 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 surplus or deficit of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

**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 the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the 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.

**Small companies note**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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**DIRECTORS' REPORT (CONTINUED)**  
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This report was approved by the Board and signed on its behalf.

**Ms W Goldwag**  
Director

Date:

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

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**Opinion**

We have audited the Annual Report and the financial statements of The Leasehold Advisory Service (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2019 and of the Group's surplus 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 5 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Directors' Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEASEHOLD ADVISORY SERVICE**  
**(CONTINUED)**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Annual Report and the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report and the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEASEHOLD ADVISORY SERVICE**  
**(CONTINUED)**

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**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 14, the Directors are responsible for the preparation of the Annual Report and the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Use of our report**

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.

Michael Tourville ACA (Senior Statutory Auditor)  
for and on behalf of  
**Beever and Struthers**  
Chartered Accountants & Statutory Auditors  
15 Bunhill Row  
London  
EC1Y 8LP  
Date:

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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	Note	2019 £	2018 £
Turnover	3	<u>1,635,392</u>	<u>1,359,156</u>
<b>Gross profit</b>		<b>1,635,392</b>	<b>1,359,156</b>
Administrative expenses		<u>(1,589,310)</u>	<u>(1,430,821)</u>
<b>Operating surplus/(deficit)</b>		<b>46,082</b>	<b>(71,665)</b>
Interest receivable and similar income	7	<u>547</u>	<u>222</u>
<b>Surplus/(deficit) before taxation</b>		<b>46,629</b>	<b>(71,443)</b>
Tax on surplus/(deficit)	8	<u>(104)</u>	<u>(24)</u>
<b>Surplus/(deficit) for the year</b>		<u><b>46,525</b></u>	<u><b>(71,467)</b></u>
Relating to the parent company		<u><b>46,525</b></u>	<u><b>(71,467)</b></u>

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 27 to 39 form part of these financial statements.

**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 03296985**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	<u>39,175</u>	<u>51,968</u>
		<b>39,175</b>	<b>51,968</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	28,257	29,984
Cash at bank and in hand	13	<u>209,287</u>	<u>163,517</u>
		<b>237,544</b>	<b>193,501</b>
Creditors: amounts falling due within one year	14	<u>(74,645)</u>	<u>(80,372)</u>
<b>Net current assets</b>		<u><b>162,899</b></u>	<u><b>113,129</b></u>
<b>Total assets less current liabilities</b>		<b>202,074</b>	<b>165,097</b>
Creditors: amounts falling due after more than one year	15	<u>(26,238)</u>	<u>(35,786)</u>
<b>Net assets</b>		<u><b>175,836</b></u>	<u><b>129,311</b></u>
<b>Capital and reserves</b>			
Other reserves	17	137,557	91,032
Profit and loss account	17	<u>38,279</u>	<u>38,279</u>
<b>Equity attributable to owners of the parent Company</b>		<u><b>175,836</b></u>	<u><b>129,311</b></u>

The Group's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

.....  
**Ms W Goldwag**  
 Director

Date:

The notes on pages 27 to 39 form part of these financial statements.

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 03296985**

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**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

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	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	39,175	51,968
Investments	11	1	1
		<u>39,176</u>	<u>51,969</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	40,749	92,023
Cash at bank and in hand	13	158,515	60,942
		<u>199,264</u>	<u>152,965</u>
Creditors: amounts falling due within one year	14	(74,645)	(78,116)
<b>Net current assets</b>		<u>124,619</u>	<u>74,849</u>
<b>Total assets less current liabilities</b>		<u>163,795</u>	<u>126,818</u>
Creditors: amounts falling due after more than one year	15	(26,238)	(35,786)
<b>Net assets</b>		<u>137,557</u>	<u>91,032</u>
<b>Capital and reserves</b>			
Other reserves	17	137,557	91,032
		<u>137,557</u>	<u>91,032</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

.....  
**Ms W Goldwag**  
Director

Date:

The notes on pages 27 to 39 form part of these financial statements.



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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Attributable to Parent Company</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2018	91,032	38,279	129,311	129,311
<b>Comprehensive income for the year</b>				
Surplus for the year	-	46,525	46,525	46,525
<b>Total comprehensive income for the year</b>	-	46,525	46,525	46,525
Transfer to profit and loss account	-	(46,525)	(46,525)	(46,525)
Transfer between other reserves	46,525	-	46,525	46,525
<b>Total transactions with owners</b>	46,525	(46,525)	-	-
<b>At 31 March 2019</b>	<b>137,557</b>	<b>38,279</b>	<b>175,836</b>	<b>175,836</b>

The notes on pages 27 to 39 form part of these financial statements.

**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Other reserves £	Profit and loss account £	Attributable to Parent Company £	Total equity £
At 1 April 2017	162,499	38,279	200,778	200,778
<b>Comprehensive income for the year</b>				
Deficit for the year	-	(71,467)	(71,467)	(71,467)
<b>Total comprehensive income for the year</b>	-	(71,467)	(71,467)	(71,467)
Transfer to profit and loss account	-	71,467	71,467	71,467
Transfer between other reserves	(71,467)	-	(71,467)	(71,467)
<b>Total transactions with owners</b>	(71,467)	71,467	-	-
<b>At 31 March 2018</b>	<b>91,032</b>	<b>38,279</b>	<b>129,311</b>	<b>129,311</b>

The notes on pages 27 to 39 form part of these financial statements.

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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	Other reserves	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	91,032	-	91,032
<b>Comprehensive income for the year</b>			
Surplus for the year	-	46,525	46,525
	-	46,525	46,525
<b>Total comprehensive income for the year</b>			
Transfer to profit and loss account	-	(46,525)	(46,525)
Transfer between other reserves	46,525	-	46,525
<b>Total transactions with owners</b>	46,525	(46,525)	-
<b>At 31 March 2019</b>	<b>137,557</b>	<b>-</b>	<b>137,557</b>

The notes on pages 27 to 39 form part of these financial statements.

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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	Other reserves	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	162,499	-	162,499
<b>Comprehensive income for the year</b>			
Deficit for the year	-	(71,467)	(71,467)
	-	(71,467)	(71,467)
<b>Total comprehensive income for the year</b>			
Transfer to profit and loss account	-	71,467	71,467
Transfer between other reserves	(71,467)	-	(71,467)
<b>Total transactions with owners</b>	(71,467)	71,467	-
<b>At 31 March 2018</b>	<b>91,032</b>	<b>-</b>	<b>91,032</b>

The notes on pages 27 to 39 form part of these financial statements.

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Surplus/(deficit) for the financial year	46,525	(71,467)
<b>Adjustments for:</b>		
Depreciation of tangible assets	12,793	13,883
Interest received	(547)	(222)
Taxation charge	104	24
Decrease in debtors	1,623	64,183
(Decrease) in creditors	(15,275)	(76,199)
<b>Net cash generated from operating activities</b>	<u>45,223</u>	<u>(69,798)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(9,833)
Interest received	547	222
<b>Net cash from investing activities</b>	<u>547</u>	<u>(9,611)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>45,770</u>	<u>(79,409)</u>
Cash and cash equivalents at beginning of year	163,517	242,926
<b>Cash and cash equivalents at the end of year</b>	<u><u>209,287</u></u>	<u><u>163,517</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	209,287	163,517
	<u><u>209,287</u></u>	<u><u>163,517</u></u>

The notes on pages 27 to 39 form part of these financial statements.

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in pounds sterling which is the functional currency and are rounded to the nearest pound.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**1.2 Basis of consolidation**

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

**1.3 Revenue**

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

**Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Comprehensive Income over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Comprehensive Income as the related expenditure is incurred. The unamortised deferred income relating to the government grant is £35,786 (2018 - £43,335) of which £9,548 (2018 - £9,548) is shown in creditors due within one year and the remainder shown as creditors due after one year.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. Accounting policies (continued)**

**1.4 Tangible fixed assets**

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

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

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

Depreciation is provided on the following basis:

Short term leasehold property	- over the life of the lease
Fixtures and fittings	- 33% straight line
Computer equipment	- 33% straight line

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

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

**1.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**1.6 Debtors**

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

**1.7 Cash and cash equivalents**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. Accounting policies (continued)**

**1.8 Financial instruments**

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

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

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

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

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

**1.9 Creditors**

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

**1.10 Pensions**

**Defined contribution pension plan**

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

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



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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1. Accounting policies (continued)**

**1.11 Interest income**

Interest income is recognised in the income statement using the effective interest method.

**1.12 Taxation**

Tax is recognised in the income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income.

**2. Judgments in applying accounting policies and key sources of estimation uncertainty**

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

**3. Turnover**

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

	<b>2019</b>	2018
	£	£
Training and Conferences	-	27,630
Communities and Local Government	<b>1,595,844</b>	1,214,063
Release of Deferred Capital Grant	<b>9,548</b>	9,549
Welsh Government	<b>30,000</b>	20,642
Park Homes	-	87,272
	<b><u>1,635,392</u></b>	<b><u>1,359,156</u></b>

All turnover arose within the United Kingdom.

**4. Operating surplus/(deficit)**

The operating surplus/(deficit) is stated after charging:

	<b>2019</b>	2018
	£	£
Depreciation of tangible fixed assets	<b>12,793</b>	13,883
Fees payable to the Group's auditor for the audit of the company's annual accounts	<b>8,424</b>	7,920
	<b><u>21,217</u></b>	<b><u>21,803</u></b>

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**5. Auditor's remuneration**

	<b>2019</b>	2018
	<b>£</b>	£
Fees payable to the Group's auditor for the audit of the Group's annual accounts (inclusive of VAT)	<b>6,984</b>	7,920
Fees payable to the Group's auditor for the under-provision of the accrual for the previous year (inclusive of VAT)	<b>1,440</b>	-
	-	-
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Regulatory compliance report	<b>614</b>	600
Corporation tax advice	-	900
	<u>          </u>	<u>          </u>

In common with many organisations of our size and nature we use our auditors to assist with the preparation of the financial statements, payroll services and to prepare and submit corporation tax returns to the tax authorities.

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**6. Employees**

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

	<b>2019</b>	2018
	£	£
Wages and salaries	<b>916,990</b>	818,744
Social security costs	<b>93,854</b>	78,726
Cost of defined contribution scheme	<b>88,441</b>	84,128
	<u><b>1,099,285</b></u>	<u>981,598</u>

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

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>No.</b>	No.	<b>No.</b>	No.
Chief executive	<b>1</b>	1	1	1
Professional advisers	<b>18</b>	18	18	18
Frontline support staff	<b>4</b>	4	4	4
Back office support staff	<b>2</b>	2	2	2
	<u><b>25</b></u>	<u>25</u>	<u>25</u>	<u>25</u>

**7. Interest receivable**

	<b>2019</b>	2018
	£	£
Bank interest receivable	<b>547</b>	222
	<u><b>547</b></u>	<u>222</u>

**8. Taxation**

	<b>2019</b>	2018
	£	£
<b>Corporation tax</b>		
Current tax for the year	<b>104</b>	24
<b>Total current tax</b>	<u><b>104</b></u>	<u>24</u>

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**THE LEASEHOLD ADVISORY SERVICE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**8. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	<b>2019</b>	2018
	£	£
Surplus/(deficit) on ordinary activities before tax	<b>46,629</b>	(71,443)
Surplus/(deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>8,860</b>	(13,574)
<b>Effects of:</b>		
Non-taxable income	<b>(8,756)</b>	13,598
<b>Total tax charge for the year</b>	<b>104</b>	24

There were no factors that may affect future tax charges.

**9. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The surplus after tax of the parent Company for the year was £46,525 (2018 - deficit £71,467).

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**10. Tangible fixed assets**

**Group**

	Short Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	168,058	60,103	102,167	330,328
At 31 March 2019	<u>168,058</u>	<u>60,103</u>	<u>102,167</u>	<u>330,328</u>
<b>Depreciation</b>				
At 1 April 2018	122,703	60,103	95,554	278,360
Charge for the year on owned assets	9,548	-	3,245	12,793
At 31 March 2019	<u>132,251</u>	<u>60,103</u>	<u>98,799</u>	<u>291,153</u>
<b>Net book value</b>				
At 31 March 2019	<u>35,807</u>	-	<u>3,368</u>	<u>39,175</u>
At 31 March 2018	<u>45,355</u>	-	<u>6,613</u>	<u>51,968</u>

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

	2019 £	2018 £
Short leasehold	<u>35,807</u>	<u>45,355</u>

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**10. Tangible fixed assets (continued)**

**Company**

	Short term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	168,058	60,103	102,167	330,328
At 31 March 2019	<u>168,058</u>	<u>60,103</u>	<u>102,167</u>	<u>330,328</u>
<b>Depreciation</b>				
At 1 April 2018	122,703	60,103	95,554	278,360
Charge for the year on owned assets	9,548	-	3,245	12,793
At 31 March 2019	<u>132,251</u>	<u>60,103</u>	<u>98,799</u>	<u>291,153</u>
<b>Net book value</b>				
At 31 March 2019	<u>35,807</u>	-	<u>3,368</u>	<u>39,175</u>
At 31 March 2018	<u>45,355</u>	-	<u>6,613</u>	<u>51,968</u>

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

	2019 £	2018 £
Short leasehold	<u>35,807</u>	45,355
	<u>35,807</u>	<u>45,355</u>

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**11. Fixed asset investments**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

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

The aggregate of the share capital and reserves as at 31 March 2019 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	<b>Aggregate of share capital and reserves £</b>
Lease Conferences Limited	<b>38,280</b>

Lease Conferences Limited did not trade during the year ended 31 March 2019 and had no profit or loss for the year.

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2018	<u>1</u>
At 31 March 2019	<u>1</u>
<b>Net book value</b>	
At 31 March 2019	<u>1</u>
At 31 March 2018	<u>1</u>

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**12. Debtors**

	<b>Group 2019 £</b>	Group 2018 £	<b>Company 2019 £</b>	Company 2018 £
Trade debtors	-	468	-	468
Amounts owed by group undertakings	-	-	<b>12,492</b>	62,039
Other debtors	<b>6,133</b>	6,098	<b>6,133</b>	6,095
Prepayments and accrued income	<b>22,124</b>	23,418	<b>22,124</b>	23,421
	<b>28,257</b>	29,984	<b>40,749</b>	92,023

**13. Cash and cash equivalents**

	<b>Group 2019 £</b>	Group 2018 £	<b>Company 2019 £</b>	Company 2018 £
Cash at bank and in hand	<b>209,287</b>	163,517	<b>158,515</b>	60,942
	<b>209,287</b>	163,517	<b>158,515</b>	60,942

**14. Creditors: Amounts falling due within one year**

	<b>Group 2019 £</b>	Group 2018 £	<b>Company 2019 £</b>	Company 2018 £
Trade creditors	<b>23,456</b>	15,625	<b>23,456</b>	15,289
Taxation and social security	<b>24,678</b>	26,476	<b>24,678</b>	26,476
Accruals and deferred income	<b>26,511</b>	38,271	<b>26,511</b>	36,351
	<b>74,645</b>	80,372	<b>74,645</b>	78,116

**15. Creditors: Amounts falling due after more than one year**

	<b>Group 2019 £</b>	Group 2018 £	<b>Company 2019 £</b>	Company 2018 £
Accruals and deferred income	<b>26,238</b>	35,786	<b>26,238</b>	35,786
	<b>26,238</b>	35,786	<b>26,238</b>	35,786



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**16. Financial instruments**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>222,920</b>	176,627	<b>184,640</b>	130,950
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(40,418)</b>	(80,133)	<b>(40,418)</b>	(77,877)

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

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

**17. Reserves**

**Profit and loss account**

The profit and loss account represents cumulative profits and losses.

**18. 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.

**19. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £93,854 (2018 - £84,128). Included in other creditors are £Nil (2018 - £Nil) of pension contributions outstanding at the year end.

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**20. Related party transactions**

The Company has taken advantage of exemptions conferred by section 33 of Financial Reporting Standard 102 and has not separately disclosed transactions with its wholly owned subsidiary.

Key management is defined as employees who take an active role in the management team. In the year this included six remunerated Directors (2018 - six). The aggregate cost of key management personnel, including employers national insurance and pension contributions, was £106,742 (2018 - £103,124).