

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

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THE LEASEHOLD ADVISORY SERVICE
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COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022

Board:

The Leasehold Advisory Service (LEASE) is governed by a Board appointed by the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC).

Chair: Wanda Goldwag
Members: Steven Jackson*
Victoria Elvidge

* Term as a Board member of LEASE expired on 31st August 2021.

An Audit and Risk Assurance Committee and a Remuneration Committee advise the Board.

Audit and Risk Assurance Committee:

Chair: Victoria Elvidge
Member: Steven Jackson**
Wanda Goldwag

** Term as a Committee member expired on 31st August 2021.

Remuneration Committee:

Chair: Victoria Elvidge
Members: Wanda Goldwag
Steven Jackson***

*** Term as a Committee member expired on 31st August 2021.

Chief Executive and Company Secretary:

Anthony Essien is Chief Executive and Company Secretary of LEASE.

Interests: Board members' interests are registered with the Company Secretary.

Auditors: Beever & Struthers

Internal Auditors: Kreston Reeves LLP

Bankers: Natwest Bank PLC

Website: www.lease-advice.org

Registered Office: 2 Marsham Street, London SW1P 4DF

Telephone: 020 7832 2500; Fax: 020 7832 2529; Email: info@lease-advice.org

CHAIR'S FOREWORD
FOR THE YEAR ENDED 31 MARCH 2022

I am delighted to introduce the Leasehold Advisory Service's (LEASE) 2021/22 Annual Report and accounts. For almost 30 years LEASE has been committed to helping leaseholders by providing the advice and information that they, and more recently park home owners, need to resolve their issues and to secure good outcomes wherever possible when in dispute with third parties.

2021/22 was a year where leasehold continued to be a big part of housing policy. The Fire Safety Act, Leasehold (Ground Rent Reform) Act and Building Safety Act have all come onto the statute book. The recent Queen's Speech revealed that the government remains committed to reforms that so many leaseholders are eager to see: banning leasehold houses; making it cheaper and easier for leaseholders to enfranchise or extend their leases; and delivering a reformed commonhold system as an alternative to leasehold ownership. The timing of these changes will become clear in due course.

In addition to legislative activity, our team had to keep abreast of the range of other developments in order to inform and update our customers. This included:

- the construction industry agreeing with government to pay £5 billion to fix the problem of unsafe cladding in tall buildings in England;
- the government launching the Building Safety Fund Leaseholder and Resident Service;
- the launch of the Commonhold Council;
- the Competition and Markets Authority action focusing on developers and landlords who had created onerous ground rent clauses;
- the Cambridge Centre for Housing and Planning Research (CCHPR) report on leasehold and freehold charges that the government welcomed as an additional source of data on charges in the leasehold sector and will take into account as it takes forward then reform agenda; and
- for park homes, the implementation of the 'fit and proper' person test.

Our service continued to deliver, and did so as an entirely remote service, our post-COVID service model. The team not only provided core services, but also helped to move leasehold reform forward by participating in research, consultations and working groups in England and Wales.. They also moved swiftly to create dedicated channels to assist leasehold queries in relation to Homes for Ukraine.

We looked to do more for our staff during the year with new Learning and Development and Wellbeing policies, aimed at providing development and a supportive environment for all of our staff.

2022/23 will no doubt be another busy year, but we are set to meet its challenges and I wish to thank my fellow Board member, Victoria Elvidge, our sponsors and our excellent staff for all they have done , and will do, for our customers as we move forward.



Wanda Goldwag
Chair

OPERATING AND FINANCIAL REVIEW
FOR THE YEAR ENDED 31 MARCH 2022

Chief Executive's Report

As we began the last financial year, we were clear that we would continue to focus on delivering high quality services to our customers, but look to serve more new customers and to also understand why our previous customers came to us, and what they did with our advice, in order to look at service changes to better meet their needs.

I am pleased to be able to report that our customer surveys showed very positive feedback with scores, on average, of 4.5 and 4.4 out of 5.0 for our telephone and written advice channels, respectively. Later in this report we have added a word cloud that highlights the themes in the almost 900 'Wow! Award' nominations from our customer during the year.

In 2021/22 new customers needing help continued to come to us, and we assisted almost 13,500 of them through our telephone and written advice channels, amongst more than 19,000 customers overall. The latter is a 3% increase on 2021/22.

Over 9,000 written enquiries were addressed by our team of 16 advisers, a 3% increase on the previous year; and it is also pleasing to report that this increase in productivity was matched by our team exceeding our KPI in completing 76% of written enquiries within 10 working days.

With an eye on more leaseholders taking control of the management of their buildings, we continued to assist leasehold customers who are, or who are looking to become, Directors of resident management companies. We added two new modules to our e-learning package: Section 20 consultation and Alternative Dispute Resolution.

Finally, we renewed our Learning and Development and implemented a Wellbeing policies to ensure that both the development and welfare of our staff, and our approach to both, make it clear to them just how valued they are. To all our staff I extend my sincere thanks for their resolute and hard work throughout the year.

I hope this report demonstrates LEASE's hard work to help as many leaseholders and park home owners as we can in the future for current and future home owners.



Anthony Essien
Chief Executive

OPERATING AND FINANCIAL REVIEW
FOR THE YEAR ENDED 31 MARCH 2022

1.0 Who we are and what we do

- 1.1 LEASE was established in 1994, and is a non-statutory company limited by guarantee. We are an Executive non-Departmental Public Body (or 'Arm's Length Body') sponsored, by the Department for Levelling Up, Housing and Communities (DLUHC) to support and advise leaseholders and park home owners in England and Wales, including on building safety issues. We are governed by a board appointed by the Secretary of State for Levelling Up, Housing and Communities. We also work closely with the Welsh Government to deliver our objectives and receive funding from them.
- 1.2 We exist because leasehold and park homes ownership are complex tenures where individuals often purchase their home without a full understanding of their rights and responsibilities and the differences from owning a property on a freehold basis. LEASE aims to address this and support with the resulting issues that can arise by:
- improving general knowledge and understanding of the practical implications of being a leaseholder or park home owner including (but not limited to) the resulting rights and responsibilities and how these can affect how individuals enjoy their property and how their building/park home site is maintained and run.
 - Improving awareness and understanding of government actions and reforms on leasehold, commonhold, building safety, park homes, including (but not limited to) changes that will be introduced by legislation and the latest position on Government announcements.
 - enable leaseholders, and park home owners to make informed decisions on next steps as they embark on their journey towards an outcome, including (but not limited to) a) whether to make a change to their property, living conditions/circumstances; b) how their building is owned or managed; c) issues or disputes with a third party.
 - support leaseholders and park home owners who are facing an issue, to help them engage with confidence with freeholders, managing agents, park home owners and others and maximise their chances of achieving satisfactory resolutions.
- 1.3 Whilst the majority of our customers are existing leaseholders and park home owners, we also assist those who are considering a property purchase and are keen to know more about the tenure or a specific issue.

Our Vision, Mission and Values

- 1.4 **Our vision** is for LEASE to be an excellent, trusted and well-known source for high quality leasehold and park home advice and information.
- 1.5 **Our mission** is to provide the information, advice and support that leaseholders and park home owners need to resolve their issues and to secure good outcomes wherever possible when in dispute with third parties.
- 1.6 We have evolved our mission to be clear that we see our service as also providing a vital support function for leaseholders. This reflects the fact that the issues affecting leaseholders can have a significant impact on their wellbeing and finances and our advisers need to show empathy and understanding and stand ready to sign post to other sources of support.

OPERATING AND FINANCIAL REVIEW
FOR THE YEAR ENDED 31 MARCH 2022

- 1.7 Our 'first-line' advice has always been focused on helping customers understand the options available to them, how to take these forward and the cost and other implications they may wish to consider before deciding whether to do so. We find that customers return for further advice having taken forward actions, with 486 enquiries from 2020/21 customers who had made an enquiry within the last three months. We are clear that LEASE has an ongoing role in supporting customers trying to secure or execute changes and this is now formalised in our mission.

Our values

- 1.8 To achieve our mission and objectives, we need to be customer focused and an organisation that embraces learning, development and change. This way of working is embedded in our values:
- ambition we always strive for more and believe in better
 - quality we offer a professional service to our customers and with high standards
 - diversity we value everybody as an individual
 - learning we can always do better and share what we know



2.0 Example of our impact for leaseholders in 2021/22

2.1 Right to Manage - £500K saved for leaseholders

Mr W owns a leasehold flat in London in a development of 677 properties. After getting advice from LEASE, he worked with the residents to successfully take over the management of the building with the Right to Manage.

**OPERATING AND FINANCIAL REVIEW
FOR THE YEAR ENDED 31 MARCH 2022**

With 549 private apartments in the development, the newly formed management company is one of the largest self-managed RTM companies in the country. Since taking over the management functions, the residents have saved £500,000 from the service charge budget through efficiency, contract negotiation, and scrutiny of the accounts.

Under the management of the residents, the standards for the development have also improved. With some minor building work, the residents improved the common areas in the building and refreshed the communal gardens. The works also tackled latent defects in the build, including repairing the sub-standard fire stopping and fire safety in the original build.

Mr W wrote to Alero Orimoloye, Senior Leasehold Adviser, saying:

“The Lease Advice Service were fantastic help to me in the run up to achieving RTM – I had many calls with people on the team”

“Lease Advice were brilliant in this process.”



**OPERATING AND FINANCIAL REVIEW
FOR THE YEAR ENDED 31 MARCH 2022**

PERFORMANCE IN 2021/22			
	KPI	Results for 2021/22	
1	Deliver high quality and effective initial advice to leaseholders and park home owners in England and Wales, including on building safety	A. Achieve an average of 4.5 out of 5 in customer satisfaction surveys by 31 st March 2022	<ul style="list-style-type: none"> • Telephone: 4.5 • Written: 4.4
		B. Understand and improve the proportion of customers who took further action following LEASE advice, the outcomes they secured and how LEASE advice supported this	Research was undertaken during the year and will be used to inform the 2022/23 Business Plan
2	Increase awareness of the availability of the LEASE advice and information service	A. Complete more than 28,700 enquiries from leaseholders and park home owners in 2021/22, including by 31 st March 2022: <ul style="list-style-type: none"> • More than 28,000 enquiries from individuals residing in England • 550 enquiries from individuals residing in Wales 	<ul style="list-style-type: none"> • England: 28,544 (99% of target) • Wales: 483 (88% of target)
		B. Increasing the number of enquiries by 31 st March 2022: <ul style="list-style-type: none"> • Leasehold, so that more than 27,000 is achieved. <ul style="list-style-type: none"> • Park homes, so that more than 1,120 is achieved. • Building Safety, so that more than 2,100 is achieved. 	<ul style="list-style-type: none"> • Leasehold: 26,064 (97% of target) • Park homes: 884 (79% of target) • Building Safety: 1,596 (76% of target)
		C. Increase engagement with LEASE online resources by end of March 2022, by having: <ul style="list-style-type: none"> • 1.25 million visitors to the LEASE website • 1.9 million visits • 875,000 advice guide downloads • 2,360 e-learning registrations • Increasing average number of website visitors to the fire safety pages to 10,000/month 	<ul style="list-style-type: none"> • 1.22 million visitors (97% of target) • 1.68 million visits (88% of target) • 774,936 advice guide downloads (89% of target) • 2,127 new e-learning registrations (90% of target) • 3,788 visitors/month to the fire safety pages (37% of target)

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		D. Increase by 5% the proportion of enquiries in 2021/22 made by individuals who have not sought advice from LEASE before	<ul style="list-style-type: none"> 70% of enquiry customers were new to LEASE in 2021/22 compared to 73% in 2020/21. <p>N.B LEASE served 3% more customers in 2021/22 through telephone and written channels.</p>
3	Provide a flexible service which allows customers to have their needs as quickly as possible, either through our online resources or case specific advice where needed	A. Understand and increase the proportion of telephone and written enquiry customers who accessed FAQ or advice guides, but then went on to book a telephone appointment.	During the year we improved website navigation, including simplification and the ease in which customers could seek a telephone or written advice and this enabled LEASE to assist 3% more customers through telephone and written advice channels.
		B. Address enquiries to the following timescales: <ul style="list-style-type: none"> Response issued to 75% of written enquiries in 10 working days 90% of telephone appointments held within two working days of a customer requesting a session 	<ul style="list-style-type: none"> 76% of written enquiries completed in 10 working days. 43% of telephone appointments held within two working days of a customer requesting a session
4	Inform the sector, and MHCLG about the priority issues our customers bring to us and use this insight to adapt LEASE's activities	A. Continue to publish LEASE's quarterly enquiry data throughout 2021/22	Data was published for all four quarters of 2021/22
		B. Gather additional information to support business development, including information on what customers are hoping to achieve through seeking advice	Data was gathered during the year exploring: <ol style="list-style-type: none"> whether customers (a) a general need for information; (b) needed assistance with dealing with an issue with a third party; and (c) knew what they wanted to do but needed assistance to achieve it.; and why customers sought advice by telephone and email before looking at guidance on LEASE's website.

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5	Develop LEASE as an organisation so that it helps staff to thrive and develop their careers	A. By 31 st March improve previous staff survey score in areas below central government average by 5%.	Areas below central government average (%)*	LEASE Staff survey results 2021	LEASE Staff survey results 2022
			My Work	68%	84%
			My team	75%	87%
			Inclusion & Fair Treatment	76%	93%
			Pay & Benefits	10%	3%
			Leadership & Managing Change	41%	68%
			*Based on Civil Service People Survey 2021		

TABLES AND FIGURES

	2021-22	2020-21	% +/-
Unique visitors*	1,215,720	1,171,909	+4%
Visits	1,675,716	1,809,058	-7%
% from outside London & Southeast	34%	19%	+78%
Advice guide downloads	774,936	863,323	-10%

Table 1 Online customers

*UK only

Channel	2021-22	2020-21	% +/-
Telephone	19,885	20,242	-2%
Email/letter	9,139	8,849	+3%
Personal Appointment**	212	225	-6%
Total customers	19,234	18,613	+3%
Total enquiries***	29,027	29,091	-

Table 2 Customers via other channels

**Attendees at outreach sessions, including online sessions.

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

**OPERATING AND FINANCIAL REVIEW
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Channel	2021-22	2020-21	%+/-
Unique visitors to internet service	29,997	28,617	+5%
Enquiries via other channels	483	476	+1.5%

Table 3 Examples of Wales service

Survey	2021-22	Sample size	2020-21	Sample size
Telephone service	4.5 out of 5.0	1,807	4.6 out of 5.0	1,986
Email/letter	4.4 out of 5.0	1,061	4.4 out of 5.0	2,449
Personal appointment	-	-	-	-

Table 4 Customer survey results by channel

	2021-22	2020-21
Complaints	12	12
% Upheld	42	92

Table 5 Complaints

	2021-22	2020-21
Wow! Awards	860	953

Table 6

Figure 1: Leasehold – customer distribution by region:

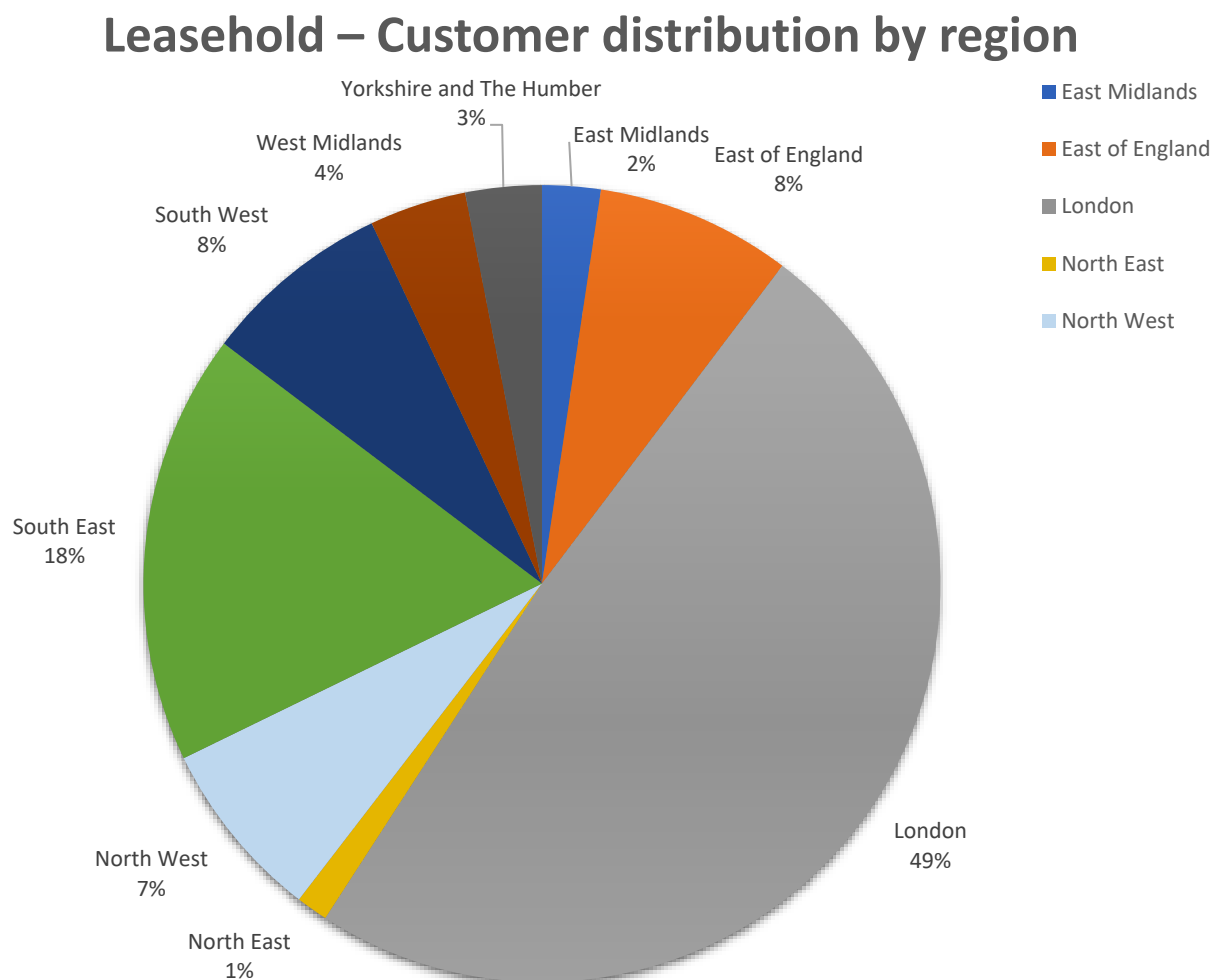


Figure 2: Leasehold (England) – top 10 subjects of enquiry:

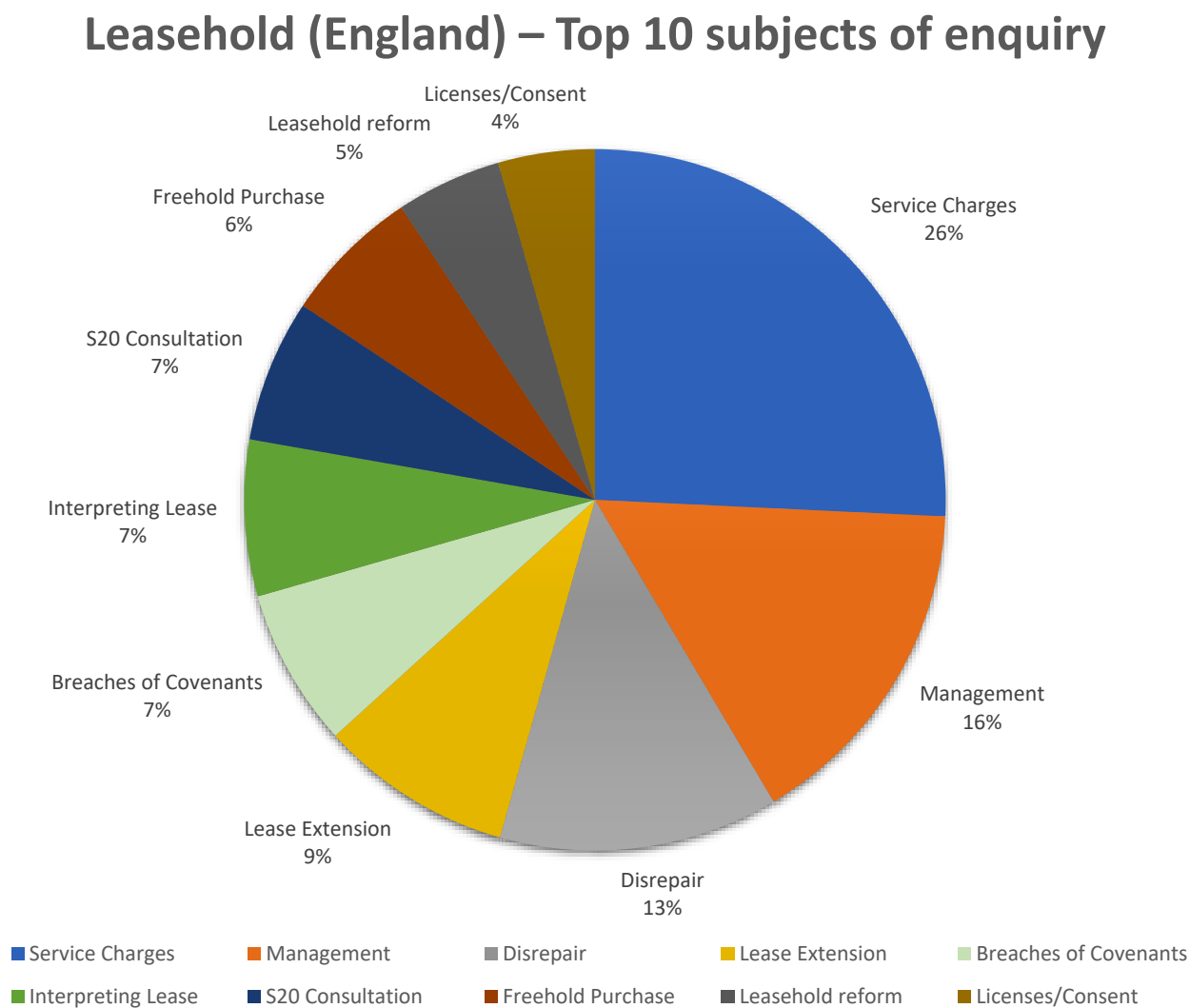


Figure 3 Leasehold (Wales) – top 10 subjects of enquiry:

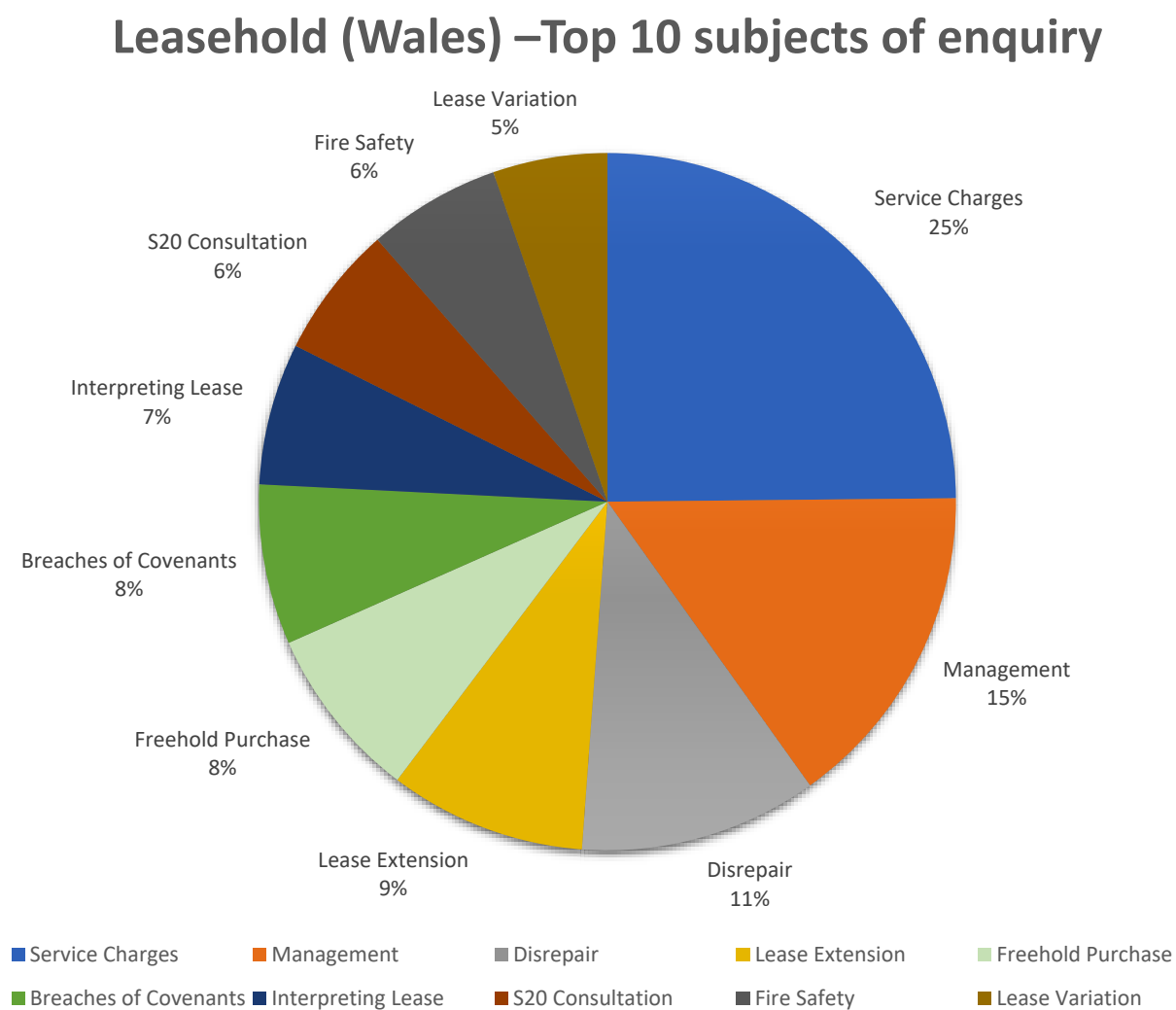


Figure 4: Fire Safety – customer distribution by region:

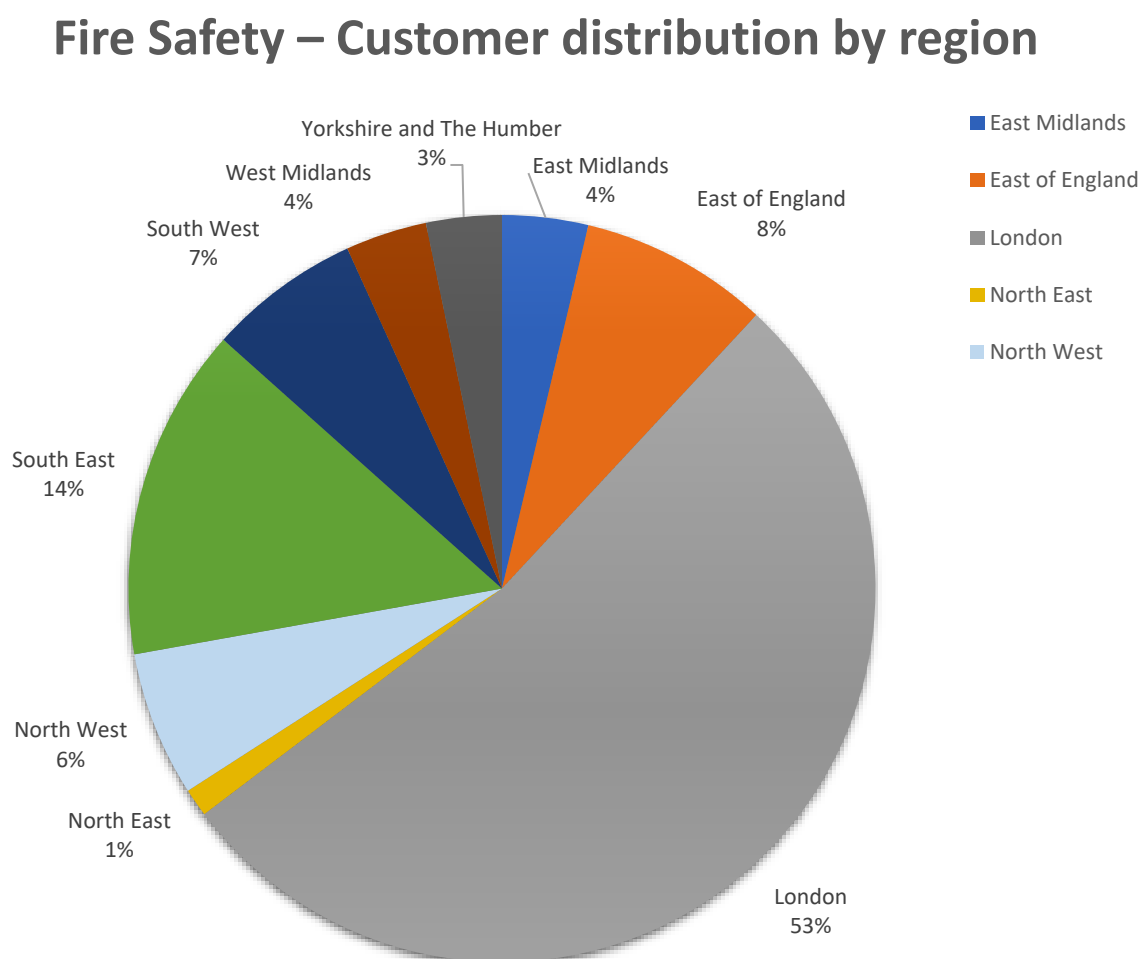


Figure 5 Fire Safety - top subjects of enquiry: Top 5

Fire Safety - Top 5 subjects of enquiry

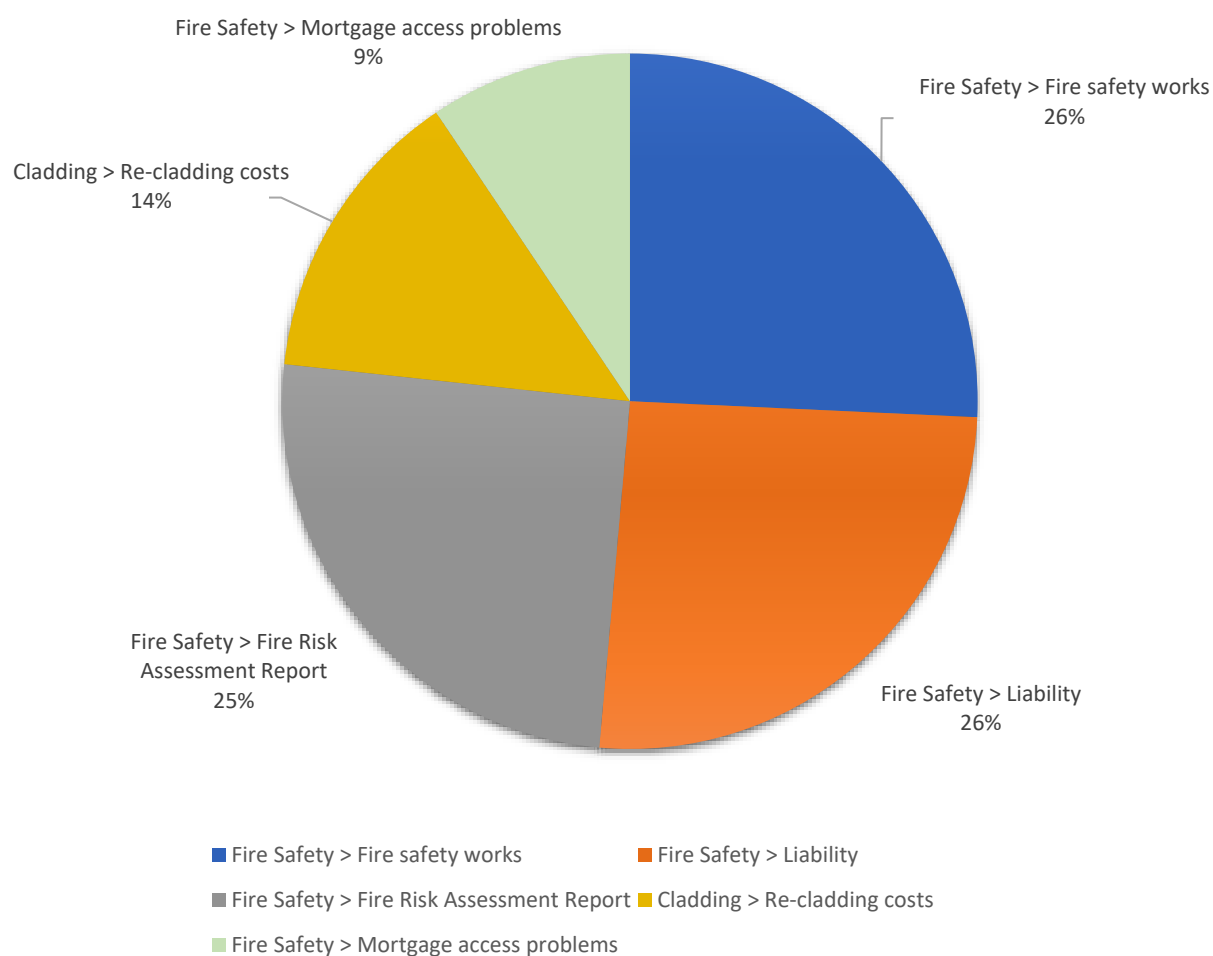
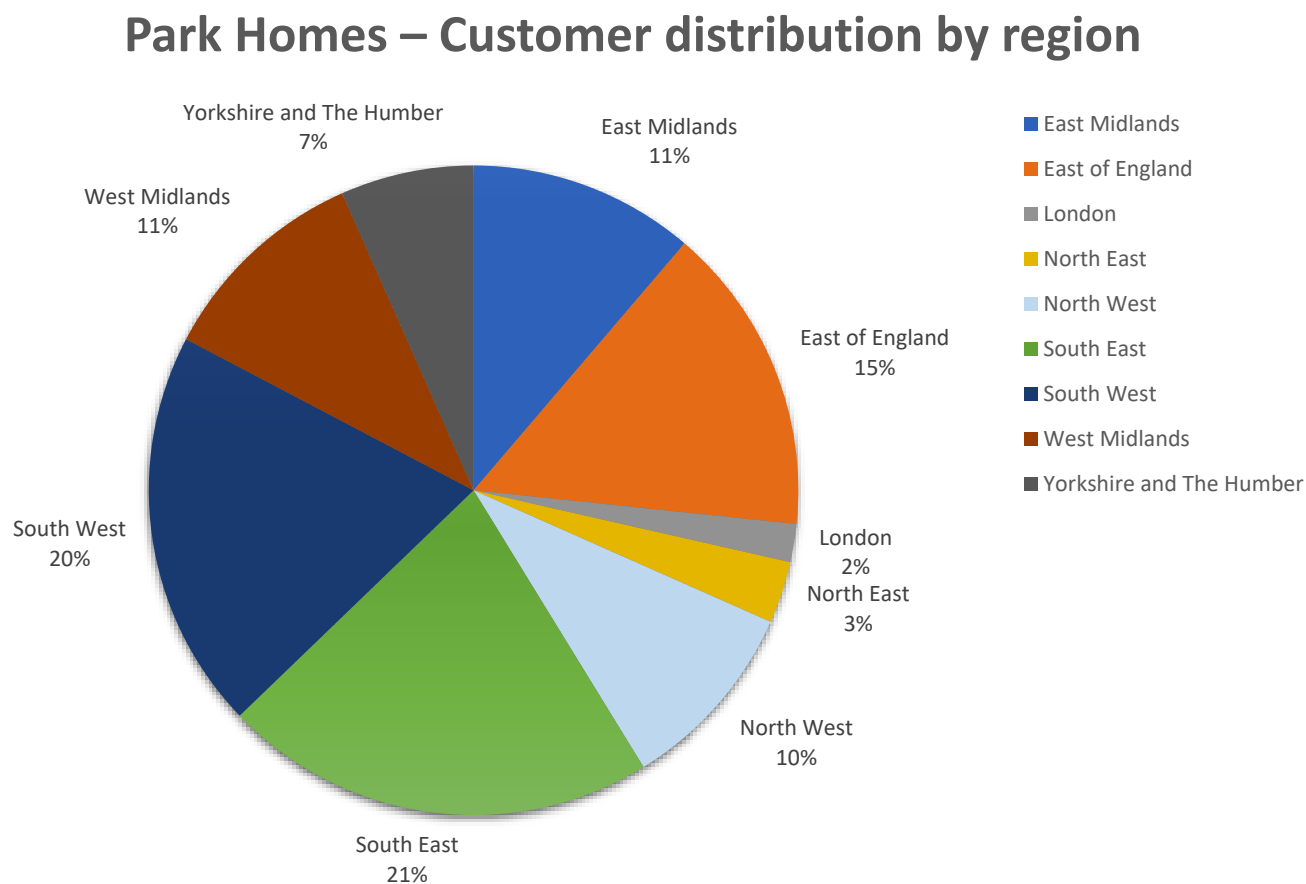


Figure 6 Park Homes – customer distribution by region:



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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their report and the financial statements for the year ended 31 March 2022.

Principal activity

The principal activity of the Company in the year was that of the provision of advice to the public on residential leasehold and park homes.

Results

The surplus for the year, after taxation, amounted to £112,504 (2021 - £56,617).

Directors

The Directors who served during the year were:

Ms W Goldwag
Mrs V T Elvidge

Mr S Jackson, a director during the year, retired on 31 July 2021

Principal risks and uncertainties

The key risk to the Company is the continued funding following the government's review of advice and support leaseholders and park home owners in England.

Financial key performance indicators

The directors consider the ability to achieve a break even financial result, to be the key financial performance indicator.

Other key performance indicators

The directors consider the number of enquiries completed, customers served through all channels, their range across England and Wales and the quality of services offered to be the key performance indicators.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Directors' responsibilities statement

The Directors are responsible for preparing the Operating and Financial Review 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 Company for that period.

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

- select suitable accounting policies for the Company'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 Company 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 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 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's auditor is aware of that information.

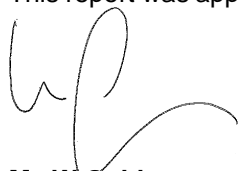
Small companies note

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)
FOR THE YEAR ENDED 31 MARCH 2022

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

A handwritten signature in black ink, appearing to be 'W Goldwag', written over the printed name.

Ms W Goldwag
Director

Date: 19th July 2022

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

Opinion

We have audited the financial statements of The Leasehold Advisory Service (the 'Company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the 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 FRS 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 Company's affairs as at 31 March 2022 and of its 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 Company 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Director's responsible for the other information. The other information comprises the information included in the Operating and Financial review 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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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEASEHOLD ADVISORY SERVICE
(CONTINUED)

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 Operating and Financial Review and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Operating and Financial Review and the Director's 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Operating and Financial Review 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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Strategic Report.

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Annual Report 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 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 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 web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006 and tax legislation.
- We enquired of the Directors and reviewed correspondence and Directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Directors have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Directors have in place to prevent and detect fraud. We enquired of the Directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.


Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

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

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
15 Bunhill Row
London
EC1Y 8LP

Date: 29 July 2022

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	3	1,808,620	1,840,479
Gross profit		1,808,620	1,840,479
Administrative expenses		(1,696,116)	(1,783,862)
Operating surplus	4	112,504	56,617
Surplus for the financial year		112,504	56,617

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 30 to 38 form part of these financial statements.

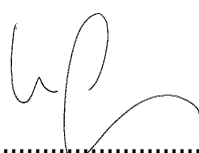
THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03296985

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	3,286	37,149
Investments	9	-	1
		<u>3,286</u>	<u>37,150</u>
Current assets			
Debtors: amounts falling due within one year	10	16,274	58,834
Cash at bank and in hand	11	551,749	424,692
		<u>568,023</u>	<u>483,526</u>
Creditors: amounts falling due within one year	12	(98,278)	(152,998)
Net current assets		<u>469,745</u>	<u>330,528</u>
Total assets less current liabilities		<u>473,031</u>	<u>367,678</u>
Creditors: amounts falling due after more than one year	13	-	(7,151)
Net assets		<u><u>473,031</u></u>	<u><u>360,527</u></u>
Capital and reserves			
Other reserves	14	473,031	360,527
Equity attributable to owners of the parent Company		<u><u>473,031</u></u>	<u><u>360,527</u></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: 19th July 2022

The notes on pages 30 to 38 form part of these financial statements.

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2020	303,910	-	303,910
Comprehensive income for the year			
Surplus for the year	-	56,617	56,617
Total comprehensive income for the year	-	56,617	56,617
Transfer to profit and loss account	-	(56,617)	(56,617)
Transfer between other reserves	56,617	-	56,617
At 1 April 2021	360,527	-	360,527
Comprehensive income for the year			
Surplus for the year	-	112,504	112,504
Total comprehensive income for the year	-	112,504	112,504
Transfer to profit and loss account	-	(112,504)	(112,504)
Transfer between other reserves	112,504	-	112,504
31 March 2022	473,031	-	473,031

The notes on pages 30 to 38 form part of these financial statements.

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	112,504	56,617
Adjustments for:		
Depreciation of tangible assets	33,863	26,908
Decrease in debtors	42,560	10,537
(Decrease) in creditors	(61,870)	(42,656)
Net cash generated from operating activities	127,057	51,406
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(8,963)
Net cash from investing activities	-	(8,963)
Net increase in cash and cash equivalents	127,057	42,443
Cash and cash equivalents at beginning of year	424,692	382,249
Cash and cash equivalents at the end of year	551,749	424,692
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	551,749	424,692
	551,749	424,692

The notes on pages 30 to 38 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Going concern

The financial statements have been prepared on a going concern basis.

The future financing of LEASE's liabilities is to be met by Grant in Aid. The Accounting Officer has a reasonable expectation that LEASE has adequate resources to continue in operational existence for a period of at least 12 months from the date the financial statements are authorised for issue.

The going concern basis of accounting for the organisation is adopted in consideration of the requirements set out in HM Treasury Government Financial Reporting Manual (FReM), which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

For the above reasons it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements

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 £7,151 (2021 -£16,703) of which £7,151 (2021 - £9,552) is shown in creditors due within one year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 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 2022

1. Accounting policies (continued)

1.8 Financial instruments

The Company 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

The contributions are recognised as an expense in the 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 Company in independently administered funds.

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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:

	2022 £	2021 £
Levelling Up, Housing and Communities	1,746,640	1,780,928
Release of Deferred Capital Grant	9,552	9,532
Welsh Government	52,428	50,019
	<u>1,808,620</u>	<u>1,840,479</u>

All turnover arose within the United Kingdom.

4. Operating surplus/(deficit)

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

	2022 £	2021 £
Depreciation of tangible fixed assets	33,863	26,908
Fees payable to the auditor for the audit of the Company's annual accounts	6,785	6,581
	<u>6,785</u>	<u>6,581</u>

5. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6,785	6,581
	<u>6,785</u>	<u>6,581</u>
Regulatory compliance report	648	629
	<u>648</u>	<u>629</u>

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Employees

	2022 £	2021 £
Wages and salaries	1,053,037	1,018,356
Social security costs	111,756	105,456
Costs of defined contribution scheme	89,834	88,633
	1,254,627	1,212,445

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

	2022 No.	2021 No.
Chief executive	1	1
Professional advisers	17	16
Frontline support staff	4	4
Back office support staff	3	3
	25	24

7. Taxation

	2022 £	2021 £
Total current tax	-	-

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	115,007	56,617
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	21,851	10,757
Effects of:		
Non-taxable income	(21,851)	(10,757)
Total tax charge for the year	-	-

There were no factors that may affect future tax charges.

8. Tangible fixed assets

	Short term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	168,058	63,627	150,101	381,786
At 31 March 2022	168,058	63,627	150,101	381,786
Depreciation				
At 1 April 2021	151,355	61,269	132,013	344,637
Charge for the year on owned assets	16,703	1,176	15,984	33,863
At 31 March 2022	168,058	62,445	147,997	378,500
Net book value				
At 31 March 2022	-	1,182	2,104	3,286
At 31 March 2021	16,703	2,358	18,088	37,149

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Tangible fixed assets (continued)

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

	2022 £	2021 £
Short leasehold	-	16,703
	<u>-</u>	<u>16,703</u>

9. Fixed asset investments

	Investments in subsidiary companies £
At 1 April 2021	1
Disposals	(1)
At 31 March 2022	<u>-</u>

Lease Conferences Limited was a subsidiary of the Company until 4 May 2021, when it was dissolved. Lease Conferences Limited was incorporated in the UK and limited by shares. The Company owned 100% of its share capital. Lease Conferences was dormant from 1 April 2019 and had net assets of £1 from that date. Due to this group accounts are no longer required.

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Debtors

	Company 2022 £	Company 2021 £
Prepayments and accrued income	16,274	58,834
	16,274	58,834

11. Cash and cash equivalents

	Company 2022 £	Company 2021 £
Cash at bank and in hand	551,749	551,749
	551,749	551,749

12. Creditors: Amounts falling due within one year

	Company 2022 £	Company 2021 £
Trade creditors	36,379	96,402
Other taxation and social security	29,755	30,128
Accruals and deferred income	32,144	26,469
	98,278	152,999

13. Creditors: Amounts falling due after more than one year

	Company 2022 £	Company 2021 £
Accruals and deferred income	-	7,151
		7,151

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses.

15. 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.

16. 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 £89,834 (2021 - £88,633). Included in other creditors are £9,226 (2021 - £9,944) of pension contributions outstanding at the year end.

17. Related party transactions

Key management is defined as employees who take an active role in the management team. In the year this included four remunerated Directors (2021 - four). The aggregate cost of key management personnel, including employers national insurance and pension contributions, was £109,833 (2021 - £107,888).