

OFFICIAL

Registered number: 03296985

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

OFFICIAL

THE LEASEHOLD ADVISORY SERVICE
(A Company Limited by Guarantee)

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COMPANY INFORMATION

Directors	M Boyd K Caddy P Higgins C McNally W Wilson
Company secretaries	A Bradley and S Frazer
Registered number	03296985
Registered office	2 Marsham Street London SW1P 4DF
Independent auditor	Beever and Struthers Chartered Accountants & Statutory Auditors 150 Minories London EC3N 1LS
Internal auditor	Kreston Reeves LLP Third Floor 24 Chiswell Street London EC1Y 4YX
Accountants	MHA 2 London Wall Place London EC2Y 5AU

OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2024

The chairman presents his statement for the year ended 31 March 2024.

In November 2023 I was asked to take on the role as chair of LEASE with the target of reforming the organisation to make it more impactful for consumers.

As part of this change, we have new job share CEO's and an entirely new board appointed at the end of March. Everyone is targeted with helping implement what will be major change within LEASE.

I thank the previous CEO, Anthony Essien, for his work over many years and board member Victoria Elvidge for her work on the Audit and Risk subgroup who also helped transfer her knowledge to the new board.

Inevitably with 5.3 million leaseholders spread across England and Wales there have always been challenges on how many individual leaseholders can be helped by LEASE directly. LEASE is now reforming the organisation to support many more of those millions of leaseholders alongside those that we've already been able to help to date. Central to that is an updated website that will allow many more people to self-serve the critical legal knowledge and information that they need to make good choices, allowing our advisers to help those with more complex issues.

The first of these new strategic relationships is working with the cladding groups. Since January LEASE has worked with the End our Cladding Scandal (EOCS) group which represents many of the voluntary national and regional cladding groups across the country. We are also beginning to work with many other groups across the sector.

As of January, LEASE have started working with government officials providing their expert legal knowledge for the secondary legislation that will support the 2024 Leasehold and Freehold reform Act.

I hope much more will emerge in the new year. For LEASE colleagues the last 10 years have been very difficult with the organisation under almost constant review I thank LEASE staff for working with the new board and CEO's in helping start the drive for the new version of LEASE which will allow it to become an impactful resource for consumers that helps drive up standards in the sector.

Martin Boyd

Chair

September 11th, 2024



OPERATING AND FINANCIAL REVIEW (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Chief Executives' Report *

2023/24 has been a year of huge change for LEASE - with the appointment of a new Chair in November 2023, a caretaker CEO for three months, our appointment as a job share in January 2024 and, in March, the appointment of a completely new Board. It also saw the 30th anniversary of the organisation.

With the appointment of Martin as Chair, LEASE was tasked with transforming into a more impactful organisation for consumers. We are only at the beginning of this journey, but colleagues have already done an amazing job of both maintaining the existing advice service and simultaneously starting to develop the systems and relationships we need to deliver change.

Despite having much more to do - and a rapidly changing organisation - LEASE answered 6,000 more customer enquiries directly through our written and telephone advice than last year. We are proud our consumers' satisfaction rates have held firm, in line with the previous year, despite the wait times increasing slightly.

While park homes enquiry rates have stayed broadly in line with previous years, we have seen a marked uptick in the number of fire safety calls handled by the advisory team – something that is being reflected in how we manage and allocate advisory team resource this year.

Our online offer continued to attract a similar number of unique users as previous years (c.1.1m) and we received 990 positive testimonials during the year via 'Wow! Award' nominations on our website - this year also passing the lofty number of 5000 Wow awards since we launched the scheme in 2016.

Our teams do remain frustrated by pay levels – as reflected in the staff survey results. This is something that the Board and Executive team take seriously, and we are working closely with the Sponsor department and Pay and our Remuneration Committee on how we create an organisational structure that supports our staff. What doesn't show in the stats is the increased work LEASE colleagues have been doing with our sponsor Department and colleagues across the wider public and leasehold sectors. Advisers have been working closely with policy teams on the regulations passed in the The Leasehold and Freehold Reform Act earlier this year and we look forward to being able to demonstrate some of the benefits of our increased partnership working with some new building safety e-learning early next year.

Ongoing leasehold reform remains a priority for Government – as demonstrated by the announcements in the King's speech this summer, the response to the CMA report published in February 2024 and the recent Written Ministerial Statement on Leasehold and Commonhold Reform on 21/11/24– and LEASE colleagues and the executive team look forward to setting out how it will be supporting this work in our refreshed Strategic Plan in due course.



Sally Frazer and Alice Bradley

Who we are

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 Ministry for Housing, Communities and Local Government (MHCLG).

We exist to support future and current leaseholders, commonholders, shared owners and park homeowners to be empowered consumers and to enable them to make informed decisions about managing their homes. These are complex tenures affected by several pieces of complex legislation from which consumer issues can easily arise.

LEASE currently employs around 26 staff - principally legally qualified advisers - and, while we are nominally attached to MHCLG's London offices – our people work virtually or through outreach at housing events and seminars to support people right across England and Wales. The LEASE service includes access to expert advice through our website and free initial written and telephone advice on complex leasehold, park home and commonhold legislation - as well as company and building safety law. Since 2017 the organisation has taken on an increasing amount of work relating to building and fire safety matters.

What we do (from 2023/24 annual business plan):

LEASE exists because leasehold and park home ownership are complex tenures where consumer issues can arise. LEASE aims to address this by:

- improving general knowledge and understanding of the practical implications of being a leaseholder or park home owner.
- increasing awareness and understanding of government actions and reforms on leasehold, commonhold, building safety and park homes.
- enabling leaseholders and park home owners to make informed decisions on next steps as they embark on their journey towards an outcome.
- supporting 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.

Vision and Values

Our vision

Our vision is for LEASE to be the first-place people visit online for authoritative, trusted and high-quality leasehold, commonhold and park home advice.

We sit in a unique position between homeowners and Government. As well as providing our customers with the legal advice, training and information they need to manage their homes, we will use our frontline expertise and experience to advise and support policy makers so that the laws, regulations and policy they implement deliver for homeowners. We will ensure that consumer experiences are at the heart of plans to increase use and uptake commonhold tenures and that policy makers and regulators understand the impact of building safety policy and regulation on leaseholders.

Our values

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.

Consumer testimonials 2023/24 *



Exceptional Service: How Prompt and Reassuring Advice Resolved My Leasehold Issue

"I was really impressed with the whole service. The appointment slot was easy to book, and the call was connected a couple of minutes early.

The advisor was really helpful, clear and reassured me that my interpretation of the situation was correct. I followed the recommendations and have today received a letter from the Leaseholder confirming that I was correct, and it was their error which is now corrected. So much stress has been lifted as a result of contacting The Leasehold Advisory Service and the advisor in particular. Thank you for the work you do. "

Finding Relief: How Expert Advice Turned My Auction Nightmare into Hope

"After an exchange of contracts for a property I bid for on an auction website. What was a dream, turned into a living nightmare. The special conditions hid the fact that a property with only 6 months left on the lease, the landlord wanted £347,444 for extending lease for 90 yrs. I was well out of my depth as I don't have that sort of money to spend. Not even half of it. The property is derelict. When you deal with cold hearted solicitors and landlords. I felt at my wits end. Then an advisor gave me advice that put my mind at ease with professional advice. The advisor gave their time, without putting a stop clock on. I felt I was talking to an angel. I'm following this advice. As without this I would have to employ surveyors. Considering I could be sued for damages. This advice has come as a life line."

"The advisor reviewed our request for assistance very thoroughly. It was a complex case with multiple issues concerning the behavior of a freeholder's agent towards leaseholder, some of which was clearly not legal, yet the leaseholders were finding it impossible to engage directly with this agent on any level. The advice provided was comprehensive and clear. It was also clearly directed towards our issues and listed a number of potentially very helpful options. It gave us a lot of reassurance to see that the problems were understood and also that there are potential solutions. Evidently a lot of time went in to preparing such a detailed and focused response to our query and we really appreciated this effort. "

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2	Deliver high quality and effective advice to leaseholders and park home owners in England and Wales, including on building safety.		increase in new customers.
		A. Achieve an average of 90% in post enquiry customer satisfaction surveys	<ul style="list-style-type: none"> • Telephone: 90% • Written: 84%
		B - Address enquiries to the following timescales: <ul style="list-style-type: none"> • 75% of written enquiries responded to within 10 working days • 90% of telephone appointments held within two working days of a customer requesting a telephone session. 	<ul style="list-style-type: none"> • 65% of written enquiries responded to within 10 working days • 25% of telephone appointments held within two working days of a customer requesting a telephone session.
		C. Achieve an average of 70% of customers, who take further action and achieve a satisfactory outcome report that LEASE's advice was either important or very important to helping them secure that outcome a satisfactory outcome.	<ul style="list-style-type: none"> • 81% of customers who responded to the survey undertaken during the year, and who took further action, reported that LEASE was important or very important to secure a satisfactory outcome.

	Provide a flexible service which allows more customers to have their needs met as quickly as possible, either through our online resources or case specific advice where needed	A. Complete more than 28,700 enquiries from leaseholders and park home owners including: <ul style="list-style-type: none"> • more than 28,000 from individuals residing in England • 550 from individuals residing in Wales 	<ul style="list-style-type: none"> • 34,008 from individuals residing in England • 509 from individuals residing in Wales
		B. Achieve the following number of enquiries on (Wales only): <ul style="list-style-type: none"> • Leasehold - 27,000 • Park homes - 1,120 • Building Safety – 2,100 	<ul style="list-style-type: none"> • Leasehold - 30,525 • Park homes - 1,104 • Building Safety - 2,379

		<p>C - Increase engagement with LEASE online resources, by having:</p> <ul style="list-style-type: none"> • 1.31 million unique visitors to the LEASE website and 2 million visits; • 875,000 advice guide downloads; • 2,360 e-learning registrations. 	<ul style="list-style-type: none"> • Million unique visitors to the LEASE website and 1.7 million visits; • 608,527 advice guide downloads; • 1,239 e-learning registrations.
4	Use LEASE's position to identify priority issues for leaseholders and highlight these to DLUHC and the sector to inform policy development, implementation and other action.	A. Publish four sets of data in 2022/23	<ul style="list-style-type: none"> • Four sets of data were published in 2023/24
5	Continue to develop LEASE as an organisation so that it helps staff to thrive and develop their careers	A. By 31st March 2023, results of the 2023 Staff Survey should see a 5% improvement in sentiment in those areas where there was no change in the 2022 Staff Survey.	<ul style="list-style-type: none"> • There has been a further decline in staff sentiment on pay & benefits with the significant majority of staff indicating they are dissatisfied with their overall pay and benefits package at LEASE.

TABLES AND FIGURES

	2023/24	2022/23	% +/-
Unique visitors*	1,231,192	1,129,889	+9.0%
Visits	1,781,343	1,652,707	+7.8%
% from outside London & Southeast	36.7%	35.5%	+3.4%
Advice guide downloads	608,527	625,790	-2.8%

Table 1 Online customers

*UK only

Channel	2023/24	2022/23	% +/-
Telephone	24,528	19,860	+23.5%
Email/letter	9,989	8,564	+16.5%
Personal Appointment**	290	108	+168.5%
Total customers	22,835	19,282	+18.4%
Total enquiries***	34,517	28,424	+21.4%

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.

Channel	2023/24	2023/24	%+/-
Unique visitors to internet service	28,439	28,439	-5.33%
Enquiries via other channels	406	406	-17%

Table 3 Examples of Wales service

Survey	2023/24	Sample size	2022/23	Sample size
Telephone service	90% (KPI 90%) out of 100%	2,434	90% (KPI 90%) out of 100%	2,099
Email/letter	84% (KPI 90%) out of 100%	1,297	84% (KPI 90%) out of 100%	1,043
Personal appointment	-	-	-	-

Table 4 Customer survey results by channel

	2023/24	2022/23
Complaints	19	16
% Upheld	58%	69%
Compliments and Wow! Awards	990	719

Table 5 Customer Feedback

LEASE consumers and service use

Leasehold- Customer Distribution by Region

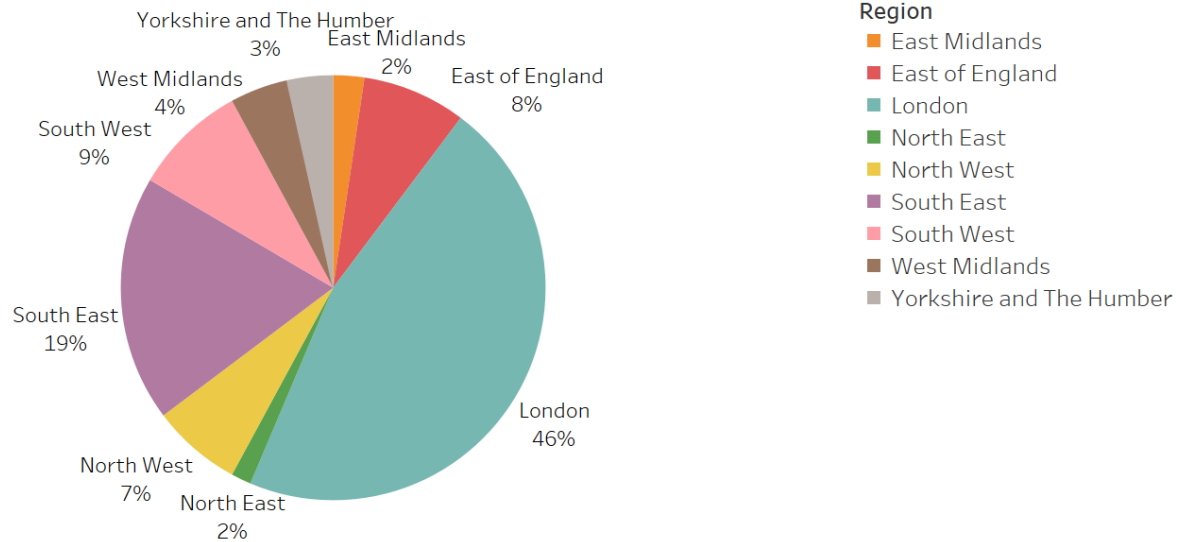


Figure 1: Leasehold – customer distribution by region:

Leasehold (England) – top 10 subjects of enquiry

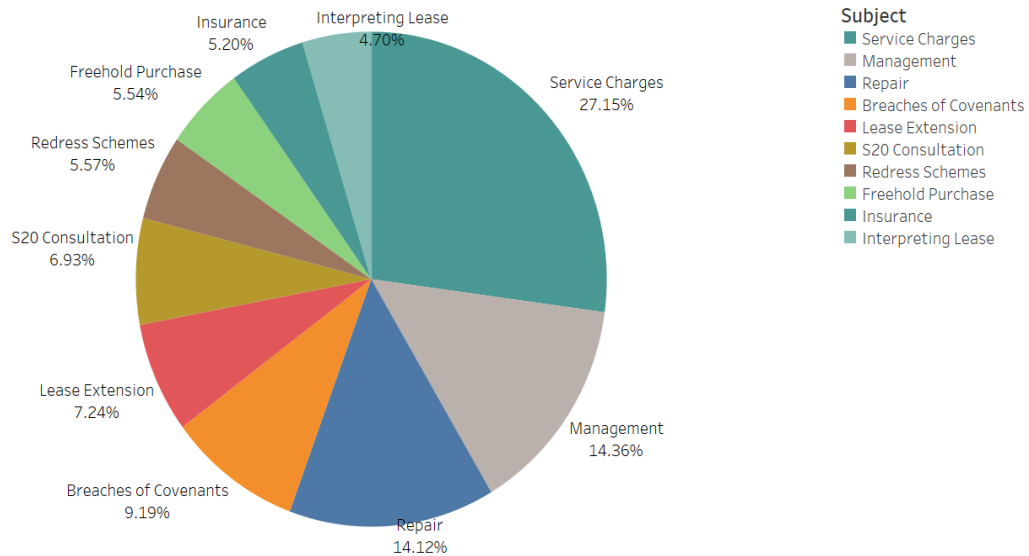


Figure 2: Leasehold (England) – top 10 subjects of enquiry:

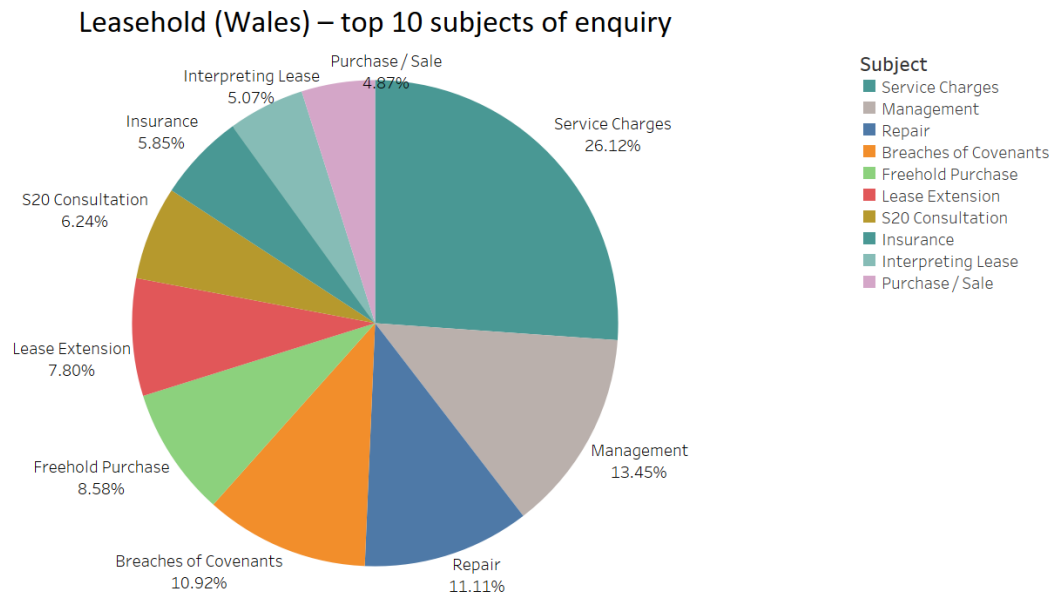


Figure 3 Leasehold (Wales) – top 10 subjects of enquiry:

Leasehold- Customer Distribution by Region

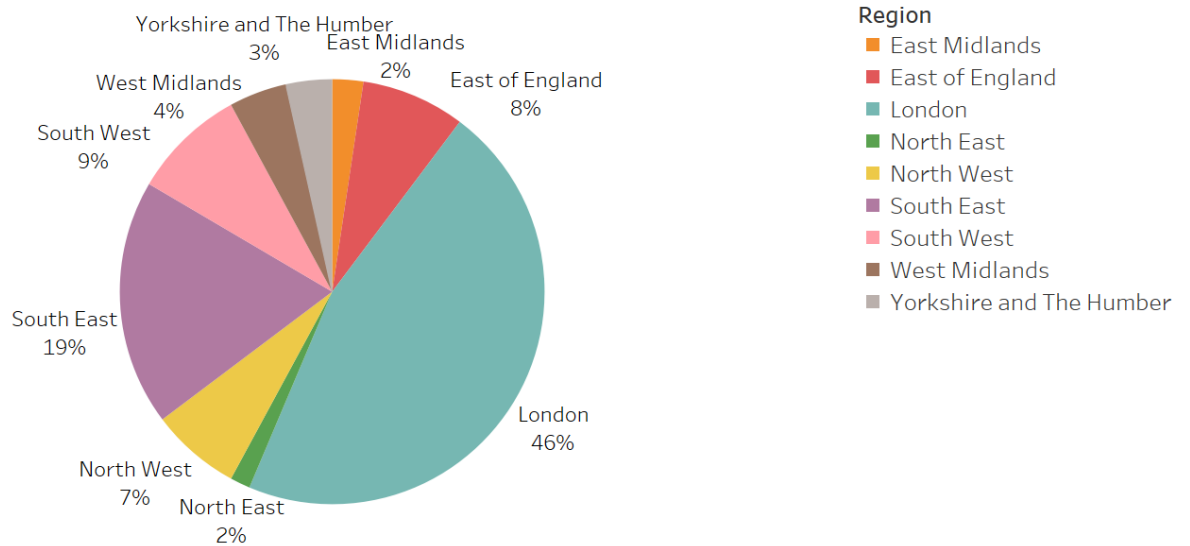


Figure 4: Fire Safety – customer distribution by region:

Fire Safety- Customer Distribution by Region

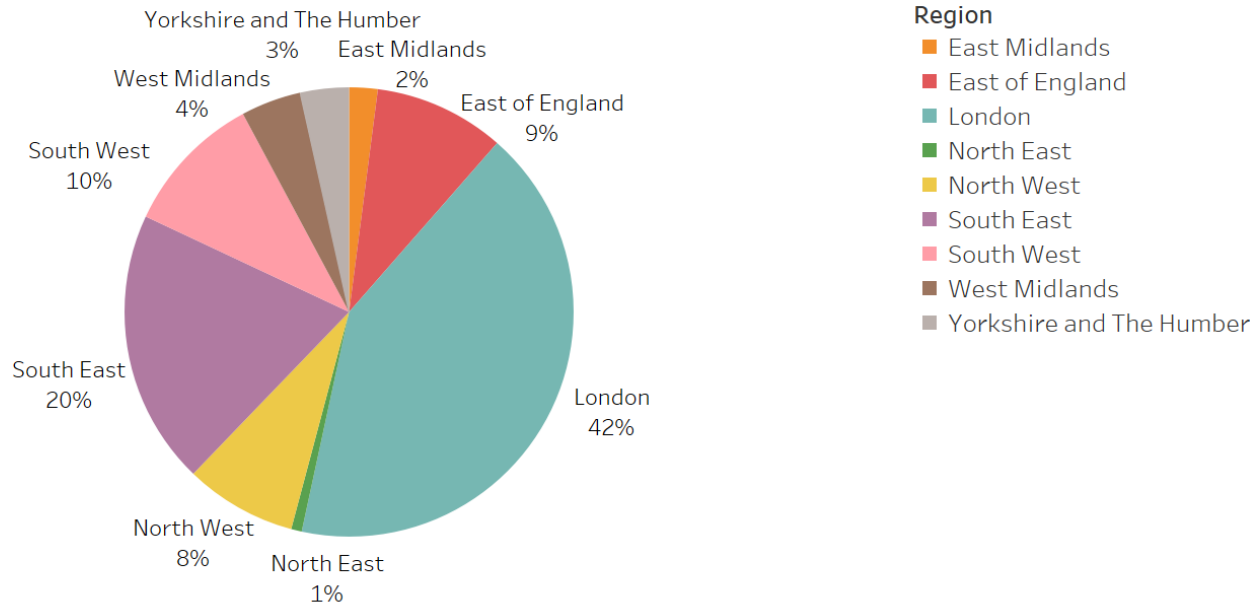


Figure 5 Fire Safety - top subjects of enquiry: Top 5

Park homes- Customer Distribution by Region

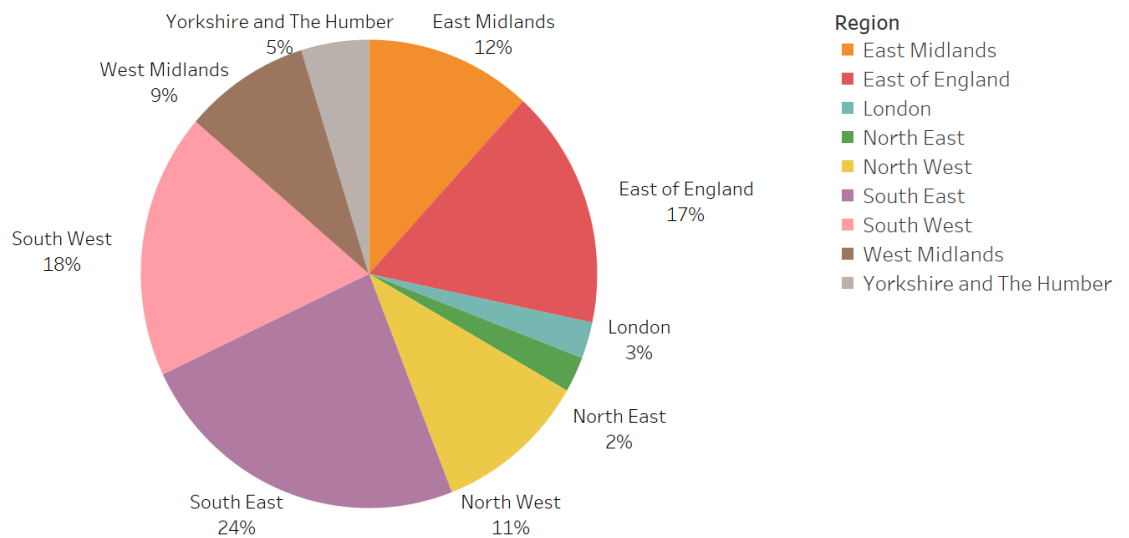


Figure 6 Park Homes – customer distribution by region:

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Directors present their report and the financial statements for the year ended 31 March 2024.

Directors' responsibilities statement

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

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

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.

Results

The profit for the year, after taxation, amounted to £4,518 (2023 - loss £175,000).

Director

The Directors who served during the year were:

M Boyd (appointed 1 November 2023)
 K Caddy (appointed 25 March 2024)
 P Higgins (appointed 25 March 2024)
 C McNally (appointed 25 March 2024)
 W Wilson (appointed 25 March 2024)
 W Goldwag (resigned 31 October 2023)
 V Elvidge (resigned 29 March 2024)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Principal risks and uncertainties

Key risks to the group are:

- Implementing improvements to advisory services across LEASE's channels: and
- Attracting and retaining advisory staff for the future.

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.

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'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.

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



Martin Boyd
Director

Date: 11th September 2024

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 2024, 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 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 Company's affairs as at 31 March 2024 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 sufficient and appropriate to provide a 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.

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

Other information

The Directors are responsible for the other information contained within the Annual Report. 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.

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

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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**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 set out on page 5, the Directors are responsible for the preparation of 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 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 website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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 Group and parent 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.

**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 FCA (Senior Statutory Auditor)
For and on behalf of
Beever and Struthers
Chartered Accountants & Statutory Auditors
150 Minorities
London EC3N 1LS

Date:

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Turnover	3	1,755,178	1,302,588
Gross profit		1,755,178	1,302,588
Administrative expenses		(1,750,660)	(1,477,588)
Profit/(loss) before taxation	4	4,518	(175,000)
Tax on profit/(loss)	6	-	-
Profit/(loss) for the financial year		4,518	(175,000)

There was no other comprehensive income for 2024 (2023: £NIL).

The notes on pages 24 to 33 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 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	7	22,087	618
		22,087	618
Current assets			
Debtors: amounts falling due within one year	8	58,672	42,522
Cash at bank and in hand	9	382,677	332,203
		441,349	374,725
Creditors: amounts falling due within one year	10	(160,887)	(77,312)
Net current assets		280,462	297,413
Net assets		302,549	298,031
Capital and reserves			
Other reserves	11	298,031	298,031
Profit and loss account	11	4,518	-
Equity attributable to owners of the parent Company		302,549	298,031

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:

Martin Boyd

Director

Date: 11th September 2024

The notes on pages 24 to 33 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 2024

Profit and loss account	Total equity			
			Other reserves	
	£	£	£	
At 1 April 2022	473,031	-	473,031	
Comprehensive income for the year				
Loss for the year	-	(175,000)	(175,000)	
Other comprehensive income for the year	-	-	-	
Total comprehensive income for the year	-	(175,000)	(175,000)	
Transfer to/from profit and loss account	-	175,000	175,000	
Transfer between other reserves	(175,000)	-	(175,000)	
Total transactions with owners	(175,000)	175,000	-	
At 1 April 2023	298,031	-	298,031	
Comprehensive income for the year				
Profit for the year	-	4,518	4,518	
Other comprehensive income for the year	-	-	-	
Total comprehensive income for the year	-	4,518	4,518	
Total transactions with owners	-	-	-	
At 31 March 2024	298,031	4,518	302,549	

The notes on pages 24 to 33 form part of these financial statements.

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THE LEASEHOLD ADVISORY SERVICE
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Cash flows from operating activities		
Profit/(loss) for the financial year	4,518	(175,000)
Adjustments for:		
Depreciation of tangible assets	2,604	3,266
(Increase) in debtors	(16,150)	(26,248)
Increase/(decrease) in creditors	83,575	(20,966)
Net cash generated from operating activities	74,547	(218,948)
Cash flows from investing activities		
Purchase of tangible fixed assets	(24,073)	(598)
Net cash from investing activities	(24,073)	(598)
Net increase/(decrease) in cash and cash equivalents	50,474	(219,546)
Cash and cash equivalents at beginning of year	332,203	551,749
Cash and cash equivalents at the end of year	382,677	332,203
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	382,677	332,203
	382,677	332,203

The notes on pages 24 to 33 form part of these financial statements.

THE LEASEHOLD ADVISORY SERVICE
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NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

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 Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the continuance of the Company as a going concern requires the support of the parent undertaking which has been provided and thus they continue to adopt the going concern basis of accounting in preparing the 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 £nil (2023 - £Nil) of which £nil (2023 - £Nil) is shown in creditors due within one year.

THE LEASEHOLD ADVISORY SERVICE
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 profit or loss.

1.5 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.

1.6 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.

THE LEASEHOLD ADVISORY SERVICE
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies (continued)

1.7 Financial instruments

The Company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss, then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies (continued)

1.7 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

1.8 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.

THE LEASEHOLD ADVISORY SERVICE
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting policies (continued)

1.9 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 profit or loss 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.

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:

	2024 £	2023 £
Levelling Up, Housing and Communities	1,702,750	1,243,009
Release of Deferred Capital Grant	-	7,151
Welsh Government	52,428	52,428
	<u>1,755,178</u>	<u>1,302,588</u>

All turnover arose within the United Kingdom.

4. Operating surplus/(deficit)

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

	2024 £	2023 £
Depreciation of tangible fixed assets	2,604	3,266
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	6,642	6,225
Regulatory compliance report	635	595

THE LEASEHOLD ADVISORY SERVICE
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. Employees

	2024 £	2023 £
Wages and salaries	1,232,423	974,898
Social security costs	121,728	109,068
Costs of defined contribution scheme	116,813	92,359
	1,470,964	1,176,325

During the year a severance agreement was made with the former Chief Executive which amounted to £85k, including £10k of employee's pension contributions.

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

	2024 No.	2023 No.
Chief executive	1	1
Professional advisers	16	15
Frontline support staff	5	4
Back office support staff	4	3
	26	23

6. Taxation

	2024 £	2023 £
Total current tax	-	-

THE LEASEHOLD ADVISORY SERVICE
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 19% (2023 - 19%). The differences are explained below:

	2024 £	2023 £
Profit/(loss) on ordinary activities before tax	4,518	(175,000)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2023 - 19%)	858	(33,250)
Effects of:		
Non-taxable income	(858)	33,250
Total tax charge for the year	-	-

There were no factors that may affect future tax charges.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7. Tangible fixed assets

	Fixtures and fittings		Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2023	168,058	64,225	150,101	382,384
Additions	-	-	24,073	24,073
Disposals	(168,058)	-	-	(168,058)
At 31 March 2024	-	64,225	174,174	238,399
Depreciation				
At 1 April 2023	168,058	63,639	150,069	381,766
Charge for the year on owned assets	-	586	2,018	2,604
Disposals	(168,058)	-	-	(168,058)
At 31 March 2024	-	64,225	152,087	216,312
Net book value				
At 31 March 2024	-	-	22,087	22,087
At 31 March 2023	-	586	32	618

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

8. Debtors

	2024 £	2023 £
Prepayments and accrued income	58,672	42,522

9. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	382,677	332,203

10. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	13,914	26,263
Other taxation and social security	27,160	29,054
Other creditors	9,232	-
Accruals and deferred income	110,581	21,995
	160,887	77,312

11. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses.

12. 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.

13. 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 £116,813 (2023 - £92,359). Included in other creditors are £9,232 (2023 - £Nil) of pension contributions outstanding at the year end.

THE LEASEHOLD ADVISORY SERVICE
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14. 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 three remunerated Directors (2023 - four). The aggregate cost of key management personnel, including employers' national insurance and pension contributions, was £159,465 (2023 - £112,979). This amount includes a severance payment, see note 5 for more details.

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DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Turnover	1,755,178	1,302,588
Gross profit	1,755,178	1,302,588
Less: overheads		
Administration expenses	(1,750,660)	(1,477,588)
Profit/(Loss) for the year	4,518	(175,000)

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SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Turnover		
TLAS Income	1,702,750	1,243,009
Grant income	-	7,151
Income - WAG	52,428	52,428
	1,755,178	1,302,588
	2024	2023
	£	£
Administration expenses		
Directors salaries	16,448	21,262
Staff salaries	1,232,423	972,398
Staff national insurance	121,728	109,068
Staff pension costs	116,813	92,359
Staff training	31,595	21,412
Hotels, travel and subsistence	508	393
Printing and stationery	3,595	4,115
Postage	3,253	2,996
Telephone and fax	17,596	26,971
Computer costs	84,337	77,498
Advertising and promotion	-	3,380
Trade subscriptions	31,608	24,210
Legal and professional	13,847	33,130
Auditors' remuneration	39,538	39,789
Bank charges	617	517
Sundry expenses	1,135	1,938
Insurances	13,677	13,155
Repairs and maintenance	(244)	3,840
Depreciation - office equipment	2,604	3,266
Redress expenses	600	-
Sundry income	-	(1,428)
Recruitment expenses	-	2,233
Website costs	18,982	25,086
	1,750,660	1,477,588