CILEX

ANNUAL REVIEW 2023

CILEX (The Chartered Institute of Legal Executives)
Company Registration No. RC000850

“A lot of people think you have to go to university to become a lawyer; a big thing that pushed me in to doing the CPQ was that you don’t need to have a degree, you can achieve the dreams of becoming a lawyer without going to university.”

CILEX student member

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

COMPANY REGISTRATION NUMBER

RC000850

BOARD OF DIRECTORS

C Bones (Chair)
S Lee
A MacIver
M Huggett
E Davies
C Jepson
(resigned July 2023)
M Foster
(resigned September 2023)
D Olulode
J Dosanjh-Elton
(resigned December 2023)
J Radford
S Grewal
Y Richardson
(appointed July 2023)

REGISTERED OFFICE

Kempston Manor
Kempston
Bedford
MK42 7AB

INDEPENDENT AUDITORS

Mercer & Hole LLP
21 Lombard Street
London
EC3V 9AH

"I was already working in a law firm, but without any formal law training or degree. The CILEX route seemed like the most sensible and effective way of becoming a lawyer whilst being able to work as well."

CILEX student member

OUR VISION

CILEX stands tall as a trailblazer and innovator in the legal world, establishing elevated benchmarks for professionalism and ethics. An advocate for diversity, CILEX propels positive change within the profession, enriching society as a whole. The focus of CILEX-qualified professionals lies in the meticulousness of their training, the versatility of their practical skillset and the depts of their specialised expertise. In essence, they are not just practitioners, they are champions of excellence.

PROFESSOR CHRISTOPHER BONES, **CILEX CHAIR**

CILEX Members, unlike other legal professionals, are part of a professional institute that has three distinct roles: approved regulator, regulated educator and qualification awarding body and professional membership association.

This unique combination is reflected in its Royal Charter first awarded in 2012 where the members committed their institute to working in the public interest such that it was able to act as a credible independent regulator within the confines of the Legal Services Act (2007) and award professional titles independent of any vested interest.

When I joined CILEX as its first independent Chair in 2018, CILEX became the first professional body within the legal sector to have a lay-majority board and to separate into distinct boards its activities with a member-interest focus from its duties and decision-making as an Approved Regulator and Qualification Awarding Body. This laid the foundation for a series of changes that has helped propel the profession and its members forward through being able to speak with the credibility of independence from professional vested interest and argue for changes that would enhance the profession and its standing on the basis of the public good.

In writing what will be my last report to members on behalf of the Board I would like to start by paying tribute to those who founded our organisation and those who stewarded us through the process to become a chartered body for their understanding that the best way to build the reputation of the CILEX profession was to ensure that it operated first and foremost in the public interest.

Aligning our role as a professional association with the public interest has, over the past six years since the new governance arrangements took effect, enabled CILEX to deliver significant member benefits:

- A change in the law that has enabled all Chartered Legal Executives to certify copies of Powers of Attorney – a significant win for consumers and for the profession.
- The ability for CILEX Lawyers to apply directly for Recorder and Upper Tier Tribunal judicial roles – supporting the ambition of the JAC to attract and appoint candidates to the judiciary that represent the society it serves and improving the standing of the CILEX route in the eyes of the public and amongst other branches of the legal profession.
- The authority for our regulator to grant Higher Rights of Audience to CILEX Lawyers with litigation and advocacy rights enabling them to operate in the High Court in England and Wales – a significant win for consumers to have access to a wider range of providers of advocacy and another step in cementing the standing of the profession as a distinct and equally attractive route into becoming a lawyer.
- A professional qualification that allows independent practice rights to be attained alongside authorisation as a Chartered Legal Executive, abolishing the need for a further set of examinations or portfolio submissions – simplifying the journey to full qualification as a specialist lawyer and levelling the career opportunities for those qualifying through CILEX by removing the need for supervision to conduct reserved legal activities.
- Government recognition of the new professional qualification as being of the same educational standard and worthy of the same funding as that as a solicitor when achieved through an apprenticeship – another substantial step forward in recognising the value of non-traditional routes in supporting access for the widest possible number of candidates and a significant endorsement of the equality of the standard met by those studying via the CILEX route compared to others.
- Recognition by the Legal Aid Agency of CILEX alongside The Law Society as a provider of Duty Lawyers – eliminating the need for CILEX members working in Criminal Law to apply via the Duty Solicitor Scheme and helping increase the number of duty lawyers in areas where there are currently none or too few.
- CILEX representation on the Criminal Legal Aid Advisory Board and the Civil Justice Council alongside the other major professions ensuring that the perspectives of all legal professionals are represented in key consultative fora, further validating the public standing of the profession.
- Acceptance of CILEX conveyancing firms onto the recognised provider lists of the largest lenders in the UK mortgage market as equally credible to businesses owned and led by solicitors.
- Creation of a national standards framework for Paralegals in England and Wales supported by a public-facing register and new professional titles that recognise the value and standing of part-qualified legal professionals who play vitally important roles in delivering legal services – establishing increased clarity for consumers and employers as to the regulated-status and competency and behavioural standards required of professionals working in part-qualified roles.
- Agreement in principle from both the government and the opposition to amend primary legislation to remove the requirement for CILEX Criminal Lawyers to retrain as solicitors to become Crown Prosecutors – benefitting the public purse and increasing capacity to reduce the court backlog by widening the pool of candidates and eliminating the costs and delays arising from additional training as well as removing the last major distinction between the CILEX profession and other lawyers who practice in criminal law.

This progress would not have been possible without CILEX having been able to demonstrate that its motivation in campaigning for these changes was based upon the positive public interest outcomes that arise from enabling CILEX members, as the most socially mobile and diverse group of legal professionals, to play an increased role in the delivery of legal services and in the wider justice system. During 2023, the CILEX Board consulted on proposals to update our governance framework to reflect changes to the institutes membership that have occurred since 2018 and to ensure that we continue to be a beacon of good practice within the sector in terms of the independence and effectiveness of our model delegated regulation and as a diverse and inclusive professional institute. The changes, which require Privy Council approval, are therefore expected to come into effect in 2024, and will:

- Widen participation in the institute by extending voting rights to all grades of member and by enabling paralegals and student members to join the Professional Board;
- Establish a new standards framework and career ladder for paralegals, offering the opportunity for those with over 5 years validated experience to become Chartered and be listed on the Professional Paralegal Register confirming their qualified and regulated status;
- Simplify the titles used by Fellows, making it clearer that CLEs are fully qualified Chartered Lawyers authorised to practice in a specific area of law and those with practice rights are able to conduct reserved legal activities without requiring supervision by a Solicitor;

Continued over...

- Allow delegation of our regulatory functions as required by the Legal Services Act 2007 and Legal Services Board governance rules to a body that is structurally and financially independent of the institute.

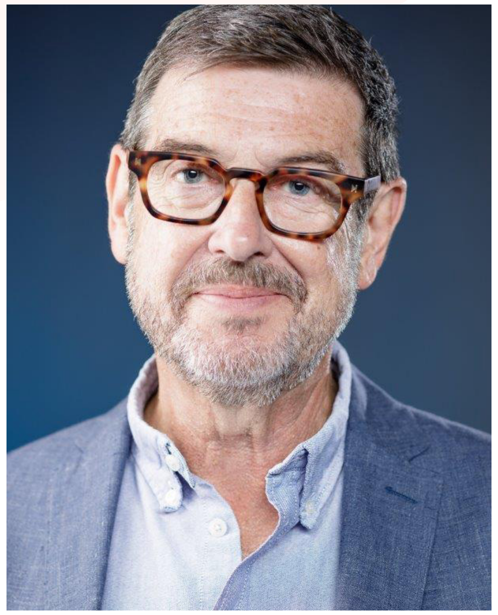
2023 also saw a positive improvement in the institute's finances, with our investment to develop the new CILEX Professional Qualification, in creating a CILEX Lawyer apprenticeship route and in our acquisition of the Institute of Paralegals contributing to a recovery from the financial pressures of the pandemic and the deficit position reported last year.

As I write this, I am nearly half-way through my final year as Chair of the institute and I can confirm that the Board and I are continuing to put the public interest first as a key foundation for building our reputation and our standing with employers, universities and colleges and the lawyers of the future. We will continue to ensure the institute is on a strong financial footing and has the resources needed to deliver the required reforms and to be able to continue to invest in our education provision, membership services and to discharge our duties as an Approved Regulator, an awarding body and professional membership institute.

Our work would not be possible without the input of members through our Professional Board, Special Reference Groups and participation in our consultation and engagement events. My thanks go to all those members who engaged with us in 2023 to continue the drive forward to enhance the standing and reputation of our profession.

The achievements of 2023 and prior years would not have been possible without the work of our former CEO, Linda Ford and our new CEO Craig Hamer (formerly our COO) and their staff team and I would like to place on record the thanks of the Board for all their hard work and dedication to building a profession that is second to none.

Finally, I would like to pay tribute to the efforts of my non-executive Board and Committee colleagues and our Professional Board who continue to work as one united team to deliver our strategic objectives and ensure we execute our statutory duties in the public interest.



Professor Chris Bones
Chair

"A lot of people think you have to go to university to be a lawyer, but that's clearly not the case. CILEX enables you to get qualified and achieve your dreams within going to university. My advice to anyone considering it, is to do it, it offers a great opportunity and flexibility, and you can gain great hands on experience through working at the same time as learning."

CILEX Member

CEO REPORT

2023 has been a busy year within the institute, with a significant programme of activity both internally and externally to build an organisational architecture which will serve the institute and its members in a more effective, and sustainable way moving forwards.

Throughout the year we have seen significant progress in key workstreams around our educational offering, our commercial model and with our policy work. We believe these key advances position us well to deliver institutional growth in 2024 and beyond.

Operational activity continued to grow in 2023 with our Customer Services Team answering over 18,200 calls and over 21,000 queries raised via our online contact forms and email. Our communications team have managed over 112,921 social media engagements and responded to 890 national, legal and trade press articles.

Financial performance

In 2023 the CILEX Group reduced its overall deficit to £0.3m, an improvement of £2.1m against 2022. This was in line with our budget and has been driven by a focus on operational efficiency and improvement, combined with a strong return on the institute's investment portfolio.

Significant operational time and effort has been made over the year to re-align resources against priorities and we hope that these changes will drive an improvement in diversified revenue streams as we move through 2024.

Membership services

Membership growth and supporting our members to progress their legal careers continue to be a significant priority for the organisation. During 2023, CILEX designed a new route into paralegal membership for those who can demonstrate how their validated experience meets the standard set out in our competency framework and we consulted on a new career progression ladder for our paralegal members. This has been launched in early 2024.

Following our acquisition of the Institute of Paralegals (IoP) in 2022, we have been working on a revised Professional Paralegal Register that we will publish in 2024, allowing the public and employers to easily identify paralegals who are regulated members of CILEX having met our robust standards of both competence and conduct.

In 2023, over 600 members gained fellowship, while a further 500 members progressed from CILEX student to CILEX Paralegal and over 350 members progressed from CILEX Paralegal to CILEX Advanced Paralegal.

We were delighted to recognise these members' achievements at our annual Graduation ceremony on October, where over 1,000 people joined us for a sensational celebration in true CILEX style!

As we look forward into 2024, member engagement and experience will remain a key focus of activity. We will be providing more opportunities for connection and engagement with the continuation of our member roadshows, launch of our digital member communities and a CILEX national conference scheduled for November 2024.

"The ability to work and study law at the same time was very important to me particularly gaining practical working experience in a legal environment. CILEX provided the flexible training route enabling me to study around my work and gain working experience; it gave me the best of both worlds."

CILEX member

Policy and public affairs

In our capacity as the professional body for specialist legal professionals, we have, since 2021, been campaigning for changes to legislation and public policy in order to ensure there is parity of recognition and equality of opportunity for lawyers of equal standing regardless of route into the law. This has included:

- amendment to the Tribunal, Courts and Enforcement Act 2007 opening up of judicial eligibility criteria to allow CILEX Lawyers to apply for Recorder and Higher Tribunal Judicial appointments alongside Solicitors and Barristers
- amendment to the Power of Attorney Act 1971 to enable CILEX Lawyers to certify copies as well as create an original Power of Attorney
- LSB approval of CRL regulatory arrangements to enable CILEX lawyers to obtain Higher Rights of Audience (and thus become Crown Prosecutors in all tribunals)
- revision of the Legal Aid Agency Criminal Legal Aid Contract to recognise a CILEX Duty Lawyer Scheme as an alternative to the Law Society Duty Solicitor Scheme giving those requiring representation access to CILEX Lawyers alongside Solicitors
- changes to Prosecution of Offences Act 1985 and to enable CILEX Lawyers to become Crown Prosecutors.

These changes align to our public interest duties to support increased access to justice, improve diversity and inclusion with the legal professions and remove barriers to competition and choice of legals services provider by enabling CILEX Lawyers to practise law on an equal footing to other lawyers in the sector.

In 2023, the first three of these changes were achieved and having also secured LAA agreement to revise its contract we expect the CILEX Duty Lawyer Scheme to become effective in 2024. A legislative vehicle is currently awaited to enact the government commitment given to enable CILEX Lawyers direct appointment as Crown Prosecutors and we expect a confirmed timetable to be agreed in 2024. Much of this has been achieved with member support: more than 10% of CILEX members are members of our Specialist Reference Groups, sharing expertise and insights that inform our campaign priorities and shape CILEX policy.

Through the summer we consulted on proposals to reform our membership structure, widening participation by opening voting rights and eligibility to be appointed on to our Professional Board to all grades of member and creating distinct career ladders for each group of legal professionals within our membership: Paralegals, Lawyers and a new category of Legal Technologists. Our proposals included a new status of Chartered Paralegal for those with over 5 years verified practice experience, who are regulated and meet the specified competency standard.

We held focus groups with consumers of legal services and commissioned an independent research agency to capture levels of public awareness and understanding of Chartered Legal Executives, the information needed to increase confidence and support enhanced choice in finding a suitable legal professional and as a result of the findings we consulted on proposals to amend the professional 'CILEX Lawyer' title to 'CILEX Chartered Lawyer' with reference to the specialism in which practice rights are held, e.g. CILEX Chartered Property Lawyer, CILEX Chartered Litigator & Advocate etc. 67% of CILEX members who responded to the consultation supported the new titles agreeing that they will help make it clearer to the public that CILEX Lawyers with independent practice rights have parity with solicitor counterparts in these areas of practice.

As an active member of the Judicial Diversity Forum, we collaborated with colleagues from the Bar Council and Law Society to deliver support to those seeking judicial appointment. Through our inter-professional working groups, we evaluated data from judicial recruitment exercises to better understand the trends and issues and barriers affecting successful appointment and provided pre-application advice, guidance and training to the pipeline of candidates. We strengthened our relationships with the judiciary through meetings with the Lady Chief Justice, Justice Lead for Diversity and Inclusion and the Chair of the Judicial Appointments Commission. As a result of our insight, we committed to establish a Judicial Academy designed to support CILEX candidates and those from socially and economically disadvantaged backgrounds or minority communities to gain the confidence, skills and experience needed to make a successful application.

"My CILEX apprenticeship will help me to achieve my long-term career goals in becoming a lawyer in just a few years. It's really exciting to think that I will be able to work on the firm with all my previous, hands-on experience that I've learnt, and legal knowledge gained through the specialised CILEX qualification. "

CILEX Student member

The academy which will support its first pilot cohort in 2024, will provide access to professional development modules, mentoring, advocacy and exposure to the courts and tribunals system.

In November we gave evidence to the Justice Select Committee. We shared our views on how legal services regulation can be improved, the challenges facing the justice system, barriers to increasing diversity and promoting equality of opportunity across the legal professions and our plans to amend our Chartered titles and regulatory delegation.

Law School - Education delivery

The quality of our qualifications and the standards underpinning them, are critical to our success in demonstrating the experience and skills of our paralegal members, and the competence and equivalence of CILEX Lawyers to their Solicitor counterparts practising the same area of law.

In 2023, more than 1,200 learners registered on the CILEX Professional Qualification (CPQ). Of these, over 700 were studying with CILEX Law School, working to achieve CILEX Paralegal status on completion of their Foundation stage modules, and progression on to CILEX Lawyer pathway in their chosen specialism.

676 CILEX Law School learners registered for CPQ exams in 2023, with 84% passing Foundation stage assessments through our Law School, setting the benchmark for national performance.

Following an extensive review and overhaul of the existing Paralegal Standards, the latest standards were released by the Institute of Apprenticeships in 2023. In September 2023 CILEX Law School launched its brand-new Paralegal Apprentice programme, based on these standards. The new programme has been completely redesigned and combines greater opportunities for apprentices to develop their legal and practical knowledge, skills and behaviours in the workplace together with the ability to confidently use new technologies, sustainability and cyber-based tools in the modern legal environment. Apprentice and employer feedback has been overwhelmingly positive, and the Law School will continue to develop this new apprenticeship in 2024 and provide its apprentices with the strong foundations from which they can become proud, CILEX Paralegals.

Awarding Body

Our Awarding Body delivered a total of 6,288 exams for those completing Level 3 and Level 6 qualifications and CPQ Foundation and Advanced stages. 2023 pass rates remain positive with 75% of candidates passing Level 3, 81% passing CPQ Foundation, 73% passing Level 6 and 80% pass CPQ Advanced. We continue to see no differential in pass rates based on candidate's ethnicity, gender or disability.

Our Legacy Level 3 product has now been withdrawn fully from the market, and in 2024 we will close our Level 6 qualification to new learners. We will continue to teach out Level 6 programmes, before withdrawing this fully from the market in 2026.

Work with the Employer Trailblazer Groups for the Paralegal, Chartered Legal Executive and CILEX Litigator and Advocate apprenticeships reached its conclusion in 2023 with the launch of the revised and new apprenticeship standards. Following successful representations by CILEX a significant increase in funding was approved with the new CILEX Lawyer apprenticeship funding bands matching those of the solicitor apprenticeship.

Regulation

Following initiation of our review of regulation in 2022, the early part of 2023 required considerable resource to be spent managing challenge of our right to amend our delegation arrangements from our delegated regulator CILEX Regulation Limited and engaging with the LSB dispute resolution process which resulted in confirmation of our right to proceed with our review.

Following an extensive programme of consultation events including regional roadshows, member webinars, employer roundtables and consumer focus groups which allowed us to capture the views of over 1,200 members, we published the outcomes of our consultation 'Enhancing consumer trust and confidence' in November 2023. 60% of member respondents reacted positively to the proposals and 82% of employers agreed that the proposed transfer of regulation to the SRA provides the opportunity to establish and maintain consumer confidence that lawyers, regardless of their route into law, are subject to robust processes and are required to meet and maintain high standards of competence. During 2024 we will finalise our plans with a decision on whether to make an application to the Legal Services Board to amend our regulatory delegation from CRL to the SRA from 2025 expected in July.

Throughout the review process we have maintained a constructive working relationship with CRL ensuring effective regulation remains in place. This has included regular operational meetings and CRL attendance at our consultation roadshows. A particular focus of discussions between the two organisations has been the process and availability for existing Fellows to obtain practice rights. This issue has been a key theme arising from our engagement with members and of enquiries and complaints into our customer services team. As practice rights is within the jurisdiction of the regulator, CILEX has shared the feedback received regarding availability and cost of advocacy courses and practice rights top-up assessments and asked CRL to review its approach. CILEX has run webinars to support members to understand and engage with the CRL requirements for practice rights and submitted to CRL proposals for an alternative professional discussion-based top-up assessment.

Leadership

During 2023 the Executive team was strengthened by the appointment of Mark Whitehouse as Chief Financial Officer and Claire Tilley as Director of Regulation and Standards.

Further changes have been introduced from January 2024 to accommodate the extensive work that will be required to secure and implement the Charter changes and regulatory reforms alongside delivery of our operational commitments. Craig Hamer, who has led CILEX's operations as Chief Operating Officer since 2022, has taken over responsibility for commercial, education and membership service functions as operational CEO from January 2024. This will allow me to focus on leading the reform agenda, including managing the Privy Council process to amend our Charter and review of our regulatory delegation, as well as retaining leadership responsibility for CILEX's public interest duties, regulatory compliance, governance, stakeholder engagement and public affairs activity.

Our achievements in 2023 would not have been possible without the dedication, resilience and passion of our team of staff, advisers and our non-executive Board and Committee members. Their efforts continue to ensure that the institute remains a model of best practice in its role as the professional association, qualification awarding body and regulator for CILEX lawyers, paralegals and those studying towards a specialist legal career.

Linda Ford - Chief Executive Officer
(until 31 December 2023)

REPORT FROM THE CHAIR OF THE SCRUTINY COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2023

As part of our Governance Framework, since 2019 CILEX has operated a Scrutiny Committee. The committee is constituted with the five immediate past Presidents of the institute. Its purpose is to provide oversight and scrutiny of the CILEX Board, on behalf of the membership, ensuring that it acts effectively in fulfilling its duties and that the correct governance structure is in place.

The committee held three meetings in 2023, receiving reports from the CILEX Chair and President demonstrating the Boards decision-making and effectiveness across a range of areas including Strategy, Financial Performance, Public Affairs, Education and Risk.

Having scrutinised decisions taken by the Board in 2023, the committee is satisfied that they were supported by thorough analysis, risk and impact assessment and reflected the Institutes responsibilities as a Chartered body with a public interest duty, as a Professional Association, Approved Regulator and Qualification Awarding Organisation.

The Committee noted the positive impact of the investment made in CILEX's campaign work, with 2023 seeing successful outcomes in securing parity of funding between the CILEX Lawyer and Solicitor Apprenticeships and in obtaining the necessary legislative amendments allowing Fellows to certify copies of Power of Attorney, apply for Upper Tribunal and Recorder judicial positions and access the LAA Duty Lawyer Scheme.

The Committee were encouraged by the positive progress made in CILEX's reform agenda, having secured member, employer and public support to widen participation in the institutes' governance by providing voting rights to all grades of member, the introduction of a new suite of CILEX Chartered Lawyer titles that better reflect the specialist nature of the CILEX qualification and to introduce a new status of Chartered Paralegal. The consultation outcomes also highlighted the public interest benefits of changes to CILEX's model of regulation, whilst preserving the distinct identify of the CILEX progression and its route into the law.

Having reviewed the outcomes of the Board member annual performance reviews and progress made in implementing the recommendations arising from the 2022 Board Effectiveness Review, the committee approved second appointment terms for three Non-Executive Board members. The Committee also supported the establishment of a new Nominations and Remuneration Committee and endorsed changes to the senior executive to support continued delivery of the strategic reform programme alongside business operations during 2024.

Scrutiny Committee considers the institutes governance arrangements to be fit for purpose given CILEX's overarching public interest duty and its need to ensure that it can discharge its breadth of duties as an Approved Regulator, a Qualification Awarding Body and a Professional Association. The independence built into the governance framework with an independent Chair and lay majority Board, continues to represent best practice and ensures that those making decisions can do so without conflict arising from a personal interest in the outcome.

The committee remains satisfied that through the Professional Board, member perspective is captured with regular engagement through its networks, Special Reference Groups, member webinars and roadshows. This structure allows member views to inform CILEX's policy work, assisting in identification of issues impacting access to justice, barriers to equality of opportunity, competition and choice in the delivery of legal services and public trust and confidence. The Committee also welcomed the inclusion of co-opted student and paralegal members onto the Professional Board and its extensive activity in 2023 to support CILEX in considering the impact of its proposed Charter changes and regulatory reforms.

The Scrutiny Committee commends to the membership the achievements of the institute in 2023 and provides its assurance that the Board continues to discharge its duties diligently and that it remains effective in its leadership and governance of the institute.

Craig Tickner FCILEX (Past President 2020-2021)
Chair of Scrutiny Committee

"A lot of people think you have to go to university to be a lawyer, but that's clearly not the case. CILEX enables you to get qualified and achieve your dreams without going to university."

CILEX member

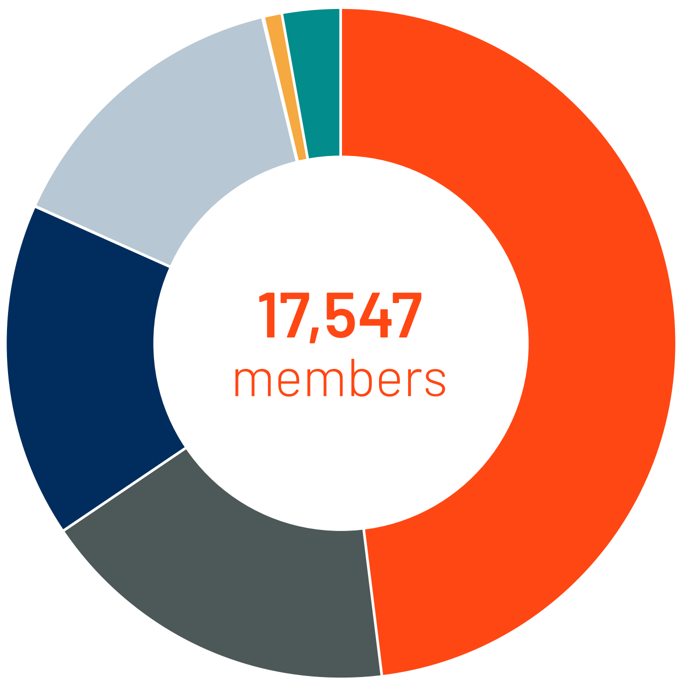
2023 A YEAR IN REVIEW

AND CILEX IN NUMBERS

OUR MEMBERSHIP IN NUMBERS

For over half a century, CILEX has dedicated itself to expanding the routes into the legal profession. During 2023, CILEX acquired the Institute of Paralegals expanding our community to over **18,600 members***. We recognise that career progression and personal development is paramount for our members, making it the heart of our dedication and focus ensuring their journey with CILEX is not just educational but empowering.

MEMBERSHIP OF THE INSTITUTE



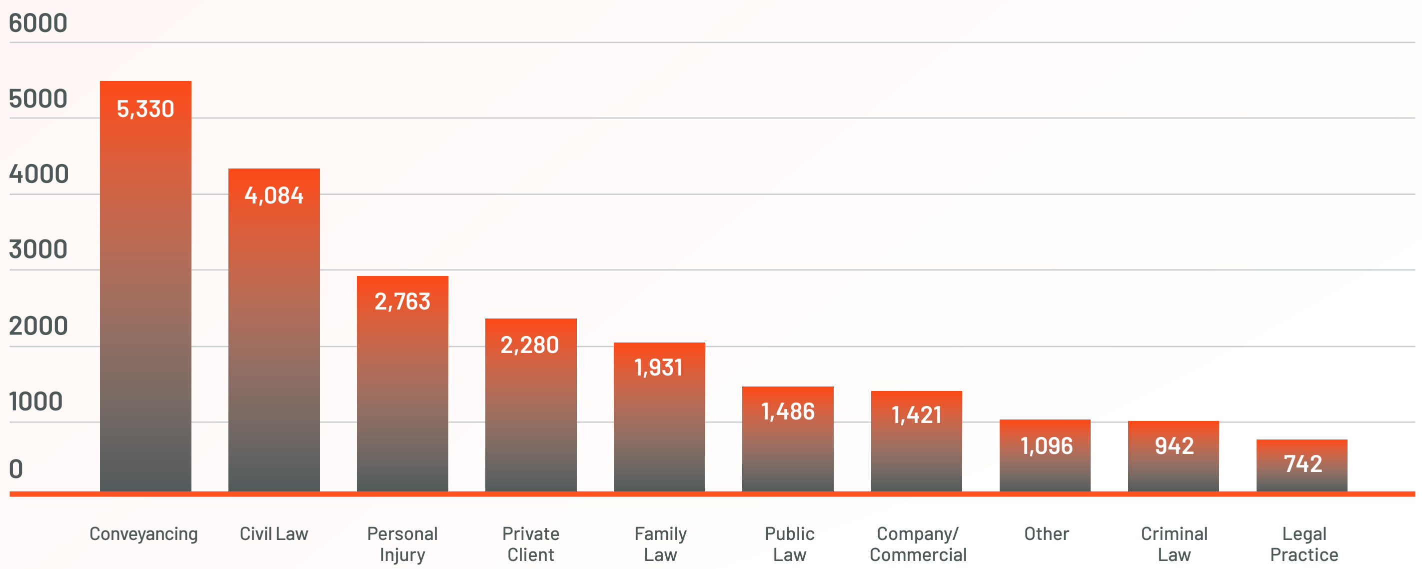
Key:

Fellow:	50%
Advanced Paralegal:	14%
Paralegal:	19%
Student:	13%
Associate Prosecutor:	1%
Affiliate:	4%

*the 18,600 members includes members transferred in from the Instutute of Paralegals, the above graphic currently excludes these members.

TOP 10 SPECIALISMS

We continue to offer pathways to qualification in many legal practice areas, to help all our member pursue a career in law, in an area of their choosing.



ACHIEVEMENTS

While it's critical we continue to attract new members to CILEX, what's equally important is the progression of our current membership. 2023 has been a very positive year for this with substantial numbers progressing through the membership grades.

600+ members gained Fellowship

13 CILEX Advocates

113 Practice rights authorised

500+ members progress from CILEX student to CILEX Paralegal

OUR DIVERSE MEMBERSHIP

Our unwavering commitment includes placing inclusion and diversity at the heart of CILEX. We actively celebrate and foster diverse voices within the legal sector, acknowledging that these voices contribute immense value to the profession and the communities our members serve.

We take pride in sharing that a noteworthy 77% of our members are women, while approximately 17% come from a vibrant mix of ethinic groups. This dedication to a diverse and inclusive legal landscape is not just a pledge, but a proud reflection of who we are.

77% WOMEN

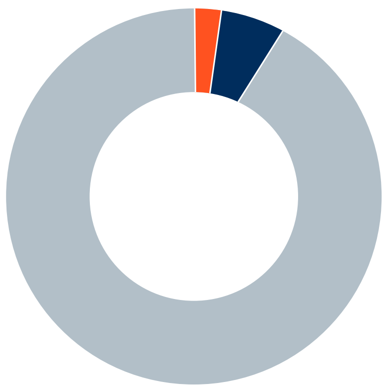
23% MEN

17% MINORITY GROUPS

6.2% OF OUR MEMBERS CONSIDER THEMSELVES TO HAVE A DISABILITY

4% OF OUR MEMBERS ARE LGBTQA+

SEXUAL ORIENTATION



Key:

- 4% LGBTQA+
- 88% Hetrosexual/Straight
- 8% Prefer not to say

EDUCATION

49% OF OUR MEMBERS DID NOT ATTEND UNIVERSITY

"Choosing CILEX was a really easy decision, it's a practical, affordable way to gain a professional qualification and a career in law. It was challenging in all the right ways, and so rewarding and has enabled me to achieve progression in my career."

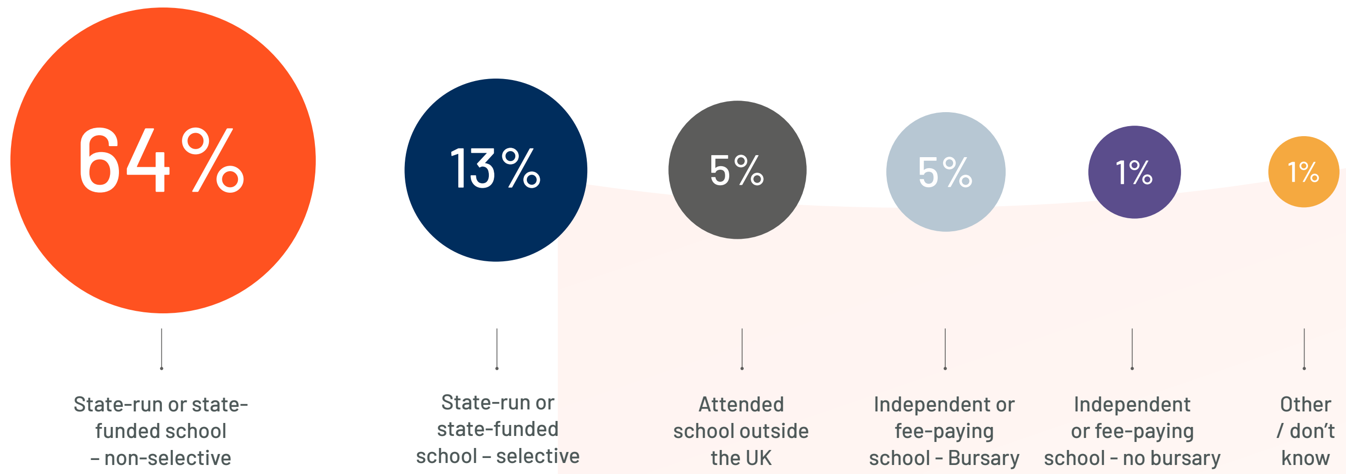
CILEX Member

"I left school at 16 and worked at a solicitor's firm while attending evening classes, studying law. Everything I was studying was backed up by on-the-job experience, meaning I was able to put my law knowledge into practice."

CILEX Member

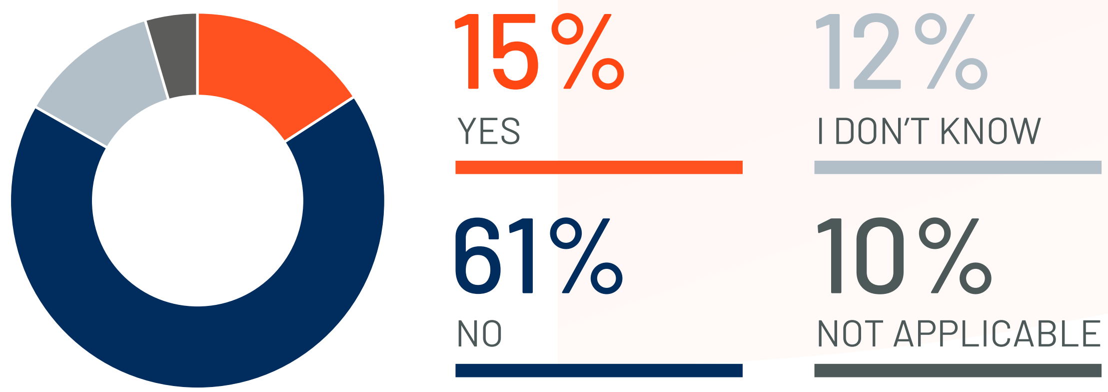
The CILEX route into a career in law is open to everyone with talent and the willingness to work hard and learn, drawing people from a wider social background than other parts of the legal profession. CILEX is unique in that it doesn't require university attendance, 49% of our members didn't attend university. Of those members who did attend university, 63% were the first in their family to do so.

THE MAJORITY OF OUR MEMBERS ATTENDED STATE FUNDED SCHOOLS



*with 12% preferring not to say

MEMBERS IN HOUSEHOLDS RECEIVING FREE SCHOOL MEALS



*Finished school before 1980 or went to oversees school. Additional 12% preferred not to say

2023 IN NUMBERS

1,320
offers taken up through CILEX rewards

16,574
log-ins to MyCareer with
43,078
activities undertaken

CILEX | MEMBER
Paralegal
ACILEX
2023

51%
of members downloaded their digital credentials

18,200
calls answered by CST, with over 21,000 queries raised via the online contact us form

150+
members attended the CILEX roadshows and other member events, including 100+ attending the AGM

429
apprenticeship EPAs were delivered, 353 Level 3 Paralegal

6,288
exams and assessments were sat in 2023 (not including EPAs)

75%
pass rate at Level 3

73%
pass rate at Level 6

81%
pass rate at CPQ Foundation Stage

80%
pass rate at CPQ Advanced Stage

890
mentions in the regional, national, legal and trade press

1,763
members belonging to Specialist Reference Groups, that's 10% of all CILEX members

7
consultations were responded to by the CILEX Policy team

112,921
engagements on social media

all data correct at 31 March 2023

"It was an amazing journey with CILEX. You can divide your time with the study, with your family members, with your work life as well."

CILEX member

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT

Review of the business

The financial performance of the Group improved significantly in 2023. The Total Comprehensive loss for the year to 31 December 2023 is £297,815 (2022: £2,363,544).

Membership income increased following acquisition of Institute of Paralegals and Professional Paralegal Register in December 2022. Sales of qualification products were in line with recent levels as our new qualification framework the CILEX Professional Qualification ("CPQ"), introduced in 2021, is continuing to mature alongside the wind-down of legacy Level 3 and Level 6 qualifications.

However overall revenue contracted by 5% as 2023 saw a further reduction in apprenticeship activities, with limited new intakes on legacy apprenticeship programs ahead of the launch of a new set of apprenticeship standards in September 2023.

The revenue reduction was mitigated by a range of cost control activities including insourcing, with cost of sales 20% lower year-on-year and a 7% decrease in administrative expenses.

Finally, the financial position was strengthened by an improvement in investment returns as markets recovered from the instability of 2022.

The Group continues to encounter market and economic instability arising from the longer-term effects of the COVID-19 pandemic, the cost-of-living crisis in the UK and macroeconomic impacts of global conflicts. The resulting changes in buyer behaviour have impacted on revenues in recent years. However, following the acquisition of the Institute of Paralegals and Professional Paralegal Register in late 2022, the Group has identified opportunities for growth by developing its offering for the paralegal market.

CILEX delegates its regulatory functions to its subsidiary company CILEX Regulation Limited ("CRL") in compliance with the Legal Services Board Internal Governance Rules 2019. On the 25 January 2022 CILEX informed CILEX Regulation Limited that it intended to enter into discussions with the Solicitors Regulation Authority ("SRA") to explore potentially transferring delegated regulatory responsibility from the Group's subsidiary, CRL to the SRA. This would mean the CRL Subsidiary Company's principal activity and the associated share of PCF income would transfer to another entity, creating a material uncertainty in relation to the Group's subsidiary company, CRL's ability to continue to trade as a going concern should this occur.

At the date of approval of these financial statements no final decision has been made as to the redelegation of the regulatory functions. However, whilst a material uncertainty exists in respect of the Group's subsidiary company, CRL's, principal activity, it will continue to receive its share of practicing certificate fees until a decision is made regarding future delegation arrangements, including, if relevant, a pro-rated share during any period of transition.

The trading results for the year and the Group's financial position at the end of the year are shown in the attached financial statements.

On behalf of the board

17 June 2024

Professor C Bones
Chair

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the group continued to be that of being the professional association and governing body for Chartered Legal Executives, CILEX Lawyers, other legal practitioners and paralegals; the delivery of legal qualifications as an awarding body; education delivery; and the performance of duties as the independent regulator of its members and regulated entities.

Results and dividends

The results for the year are set out on page [35].

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C Bones (Chair)
E Davies
J Dosanjh-Elton (resigned December 2023)
S Lee
C Jepson (resigned July 2023)
J Radford
A MacIver
M Foster (resigned (September 2023)
S Grewal
M Huggett
D Olulode
Y Richardson (appointed July 2023)

Supplier payment policy

The group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the group at the year end were equivalent to 80 day's purchases, based on the average daily amount invoiced by suppliers during the year.

Financial instruments

Liquidity risk is managed in the short term by ensuring that there are available Group reserves to cover six months operating costs. This is in line with the reserves policy. The Group has invested sums in a managed medium term investment portfolio in order to protect its cash reserves. A drawdown loan facility is secured against the investment portfolio and enables the Group to manage short term day-to-day cashflow needs.

The group carries out regular and thorough budgeting to ensure that both short and long term liquidity risks are managed.

Foreign currency is not deemed a high-risk area for the group other than in other investments denominated in foreign currency. Very few transactions take place in anything other than sterling.

Auditor

Mercer & Hole LLP were reappointed auditor of the Company by the Directors.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms 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 he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board - 17 June 2024

Professor C Bones - Chair

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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 group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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 profit or loss of the company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 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.

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of The Chartered Institute of Legal Executives (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the group income statement, the group and parent company statement of financial position, the group and parent company statement of changes in equity, the group statement of cash flows and the group and parent company notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe 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 group's and parent 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT (CONT.)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws & regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory frameworks applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006, employment law and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries and management bias.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non- compliance with laws and regulations and fraud;
- evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- identifying and testing journal entries.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains 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 non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https:// www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mercer & Hole LLP

Andrew Turner (Senior Statutory Auditor)
For and on behalf of Mercer & Hole LLP

Chartered Accountants
Statutory Auditor

21 Lombard Street, London EC3V 9AH

21 June 2024

GROUP INCOME STATEMENT

	Notes	2023 £	2022 £
Revenue	3	10,003,335	10,557,058
Cost of sales		(1,171,935)	(1,456,220)
Gross profit		8,831,400	9,100,836
Other operating income		38,405	70,933
Administrative expenses		(10,131,458)	(10,896,577)
Operating loss	4	(1,261,653)	(1,724,808)
Investment income	7	100,932	75,121
Finance costs	8	(100,301)	(35,677)
Other gains and losses	9	834,153	(933,856)
(Loss)/profit before taxation		(426,869)	(2,619,220)
Income tax income/(expense)	10	(82,655)	255,676
Loss for the year		(509,524)	(2,363,544)

Loss for the financial year is all attributable to the owners of the parent company.

GROUP STATEMENT OF COMPREHENSIVE INCOME

	2023 £	2022 £
Loss for the year	(509,524)	(2,363,544)
Other comprehensive income:	211,709	-
Total comprehensive income for the year	(297,815)	(2,363,544)

Total comprehensive income for the year is all attributable to the owners of the parent company.
Other comprehensive income relates to the fair value uplift less costs to sell on the property held for sale.

GROUP STATEMENT OF FINANCIAL POSITION

	Notes	**2023** **£**	2022 £
NON CURRENT ASSETS			
Goodwill	11	**177,661**	222,078
Intangible assets	11	**1,219,815**	1,284,301
Property, plant and equipment	12	**56,327**	2,402,539
Investments	13	**7,400,585**	6,533,845
		8,854,388	10,442,763
CURRENT ASSETS			
Assets held for sale	15	**2,544,000**	-
Trade and other receivables	16	**2,869,453**	2,891,690
Cash and cash equivalents		**1,053,282**	891,669
		6,466,735	3,783,359
CURRENT LIABILITIES			
Trade and other payables	19	**1,118,252**	1,091,145
Current tax liabilities		-	758
Borrowings	18	**3,060,000**	1,950,000
Lease liabilities	20	-	37,702
Deferred Income		**3,688,665**	3,494,135
		7,866,917	6,573,740
NET CURRENT LIABILITIES		**(1,400,182)**	(2,790,381)
NON CURRENT LIABILITIES			
Lease liabilities	20	-	-
Deferred tax liabilities		**334,033**	234,394
		334,033	234,394
NET ASSETS		**7,120,173**	7,417,988
EQUITY			
Other reserves		**652,945**	443,764
Fair value reserve		**974,221**	160,942
Retained earnings		**5,493,007**	6,813,282
TOTAL EQUITY		**7,120,173**	7,417,988

The financial statements were approved by the board of directors and authorised for issue on 12 September 2023 and are signed on its behalf by:

Professor C Bones - Chair

Company registration number RC000850 (England and Wales)

GROUP STATEMENT OF CHANGES IN EQUITY

	Revaluation reserve £	Fair value reserve £	Retained earnings £	Total £
Balance at 1 January 2022	446,521	1,273,181	8,061,830	9,781,532
Year ended 31 December 2022:				
Loss and total comprehensive income	-	-	(2,363,544)	(2,363,544)
Transfer to other reserves	(2,757)	(1,112,239)	1,114,996	-
Balance at 31 December 2022	443,764	160,942	6,813,282	7,417,988
Year ended 31 December 2023:				
Loss and total comprehensive income	211,709	-	(509,524)	(297,815)
Transfer to other reserves	(2,528)	813,279	(810,751)	-
Balance at 31 December 2023	652,945	974,221	5,493,007	7,120,173

Transfer to other reserves relates to the fair value gain/(loss) on investments and adjustments to the revaluation reserve for depreciation.

GROUP STATEMENT OF CASH FLOWS

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash absorbed by/generated from operations	22		(717,923)		(687,318)
Interest paid			(100,301)		(35,677)
Income taxes (paid) / refunded			(10,174)		(204,548)
Net cash (outflow) / inflow from operating activities			(828,399)		(927,543)
Investing activities					
Purchase of unincorporated Business			-	(117,648)	
Purchase of intangible assets		(103,772)		(182,748)	
Purchase of property, plant and equipment		(47,426)		(4,431)	
Proceeds from disposal of property, plant and equipment		566		-	
Purchase of investments		(2,347,078)		(2,046,244)	
Proceeds from sale of investments		2,321,946		1,738,315	
Interest received		906		46	
Dividends received		92,571		75,075	
Net cash used in investing activities			(82,287)		(537,635)
Financing activities					
Proceeds of bank loans		2,800,000		1,450,000	
Repayment of bank loans		(1,690,000)		(200,000)	
Payments of lease liabilities		(37,702)		(63,878)	
Net cash generated from financing activities			1,072,298		1,186,122
Net (decrease) / increase in cash and cash equivalents			161,613		(279,056)
Cash and cash equivalents at beginning of year			891,699		1,170,725
Cash and cash equivalents at end of year			**1,053,282**		**891,669**

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Company information

The Chartered Institute of Legal Executives is a private company limited by shares incorporated in England and Wales. The registered office is Kempston Manor, Kempston, Bedford, MK42 7AB. The company's principal activities and nature of its operations are disclosed in the directors' report.

The group consists of The Chartered Institute of Legal Executives and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, except for the revaluation of freehold property. The principal accounting policies adopted are set out below.

1.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company The Chartered Institute of Legal Executives together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

1.5 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

The group recognises revenue from the following major sources:

- Subscriptions and examination fees
- Distance learning
- CPQ
- Agency commission
- Apprenticeship

The nature, timing of satisfaction of performance obligations and significant payment terms of the group's major sources of revenue are as follows:

Subscriptions and examination fees
Subscriptions income is recognised in the period to which it relates and examination fee income is recongised when the examinations to which they relate take place.

Distance learning
Distance learning course revenue is recognised over the time span of course delivery.

CPQ
CPQ income is recognised as follows:

The element relating to the Awarding Body is recognised as registration on purchase of 70% of the value. The remaining 30% is allocated against examinations and is recognised at 5% per examination gateway over 36 months.

The education element of CPQ is recongised at 45% on purchase equating to the immediate value made available, and the remaining 55% is recognised on a monthly basis over the study period, which is the estimated time required to complete a stage.

There are two exceptions to the above recognition; more than one stage is purchased together, or the full package is purchased. These are afforded the same immediate recognition; however, the remaining elements are recognised over longer periods of 48 and 60 months respectively.

Apprenticeship
Apprenticeship income is recognised over the duration of the apprenticeship.

1.6 Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

The goodwill in these financial statements is amortised over its useful estimated life of 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not subsequently reversed.

1.7 Intangible assets other than goodwill

Development expenditure is charged to the income statement in the year it is incurred unless it meets the recognition criteria of IAS 38 Intangible Assets to be capitalised as an intangible asset. CPQ development costs have been disclosed as a separate class of intangible assets within the intangible fixed assets note now that development is complete and the commercial sensitivity reduced.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

Intangible assets are stated at cost or fair value on recognition less accumulated amortisation and any impairment in value. Amortisation is calculated so as to write off the cost or valuation of intangible assets over their UEL, on the following bases:

• Qualifications	10% on cost
• Software	25-30% on cost

1.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	1% on cost
Fixtures and fittings	10% on cost
IT equipment	25% on cost
Right of use assets	Over the life of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

1.9 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of tangible and intangible assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

1.12 Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognized in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The parent company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

Impairment of financial assets

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.13 Financial liabilities

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminating the employment of an employee or to providing termination benefits.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the group's estimate of the amount expected to be payable under a residual value guarantee; or the group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the group acts as a lessor, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees, over the major part of the economic life of the asset. All other leases are classified as operating leases. If an arrangement contains lease and non-lease components, the group applies IFRS 15 to allocate the consideration in the contract. When the group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately, classifying the sub-lease with reference to the right-of-use asset arising from the head lease instead of the underlying asset.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Key sources of estimation uncertainty

Estimated useful economic life of CPQ intangible asset

The estimated useful life which are used to calculate amortisation of the CPQ intangible asset, are based on the length of time these assets are expected to generate income and be of a benefit to the Group. The uncertainty included in this estimate is that if the useful lives are estimates to differ from the actual useful lives of the intangible assets, this could result in accelerated amortisation in future years and/or impairments. The useful life of the CPQ asset is estimated at ten years. Amortisation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

Debtors provision

Debtor provision on old and bad debt is designed to ensure that debtors are valued accurately and are only held to the extent that they are recoverable.

3. REVENUE

	2023 £	2022 £
Revenue analysed by class of business		
Membership	**4,408,566**	4,270,417
Awarding Body	**1,834,644**	1,853,123
Education	**3,236,451**	3,977,139
Other	**523,674**	456,377
	10,003,335	10,557,056

Revenue arises wholly within the UK.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

4. OPERATING (LOSS)/PROFIT

Operating loss for the year is stated after charging/(crediting):

	2023 £	2022 £
Auditor's remuneration	**52,250**	57,500
Depreciation of property, plant and equipment	**101,105**	139,146
Amortisation of intangible assets	**212,673**	315,790

5. EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the year was:

	2023 Number	2022 Number
	163	164

The aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	**5,392,755**	5,607,780
Social security costs	**511,664**	545,678
Pension costs	**428,637**	613,827
	6,333,056	6,767,285

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

6. KEY MANAGEMENT COMPENSATION

	2023 £	2022 £
Wages and salaries	**240,417**	417,082
Social security costs	**30,515**	55,080
Company pension contributions to defined contribution schemes	**23,474**	49,133
	294,406	521,295

7. INVESTMENT INCOME

	2023 £	2022 £
Interest income		
Financial instruments measured at amortised cost: Bank deposits	**906**	46
Other income		
Dividends received from equity investments designated as fair value through profit or loss	**100,026**	75,075
	100,932	75,121

8. FINANCE COSTS

	2023 £	2022 £
Interest on lease liabilities	**703**	7,369
Other interest payable	**99,598**	28,308
Total interest expense	**100,301**	35,677

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

9. OTHER GAINS AND LOSSES

	2023 £	2022 £
Gain on disposal of fixed asset investments	20,874	178,383
Other gains and losses	813,279	(1,112,239)
	834,153	(933,856)

10. INCOME TAX EXPENSE

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	(16,984)	(2,250)
Deferred tax		
Origination and reversal of temporary differences	99,639	(253,426)
Total tax charge / (credit)	82,655	(255,676)

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows

	2023	2022
(Loss) / profit before taxation	(549,775)	(2,619,220)
Expected tax (credit) / charge based on a corporation tax rate of 23.52% (2022: 19.00%)	(129,307)	(497,652)
Effect of expenses not deductible in determining taxable profit	1,212,846	1,232,807
Income not taxable	(1,129,020)	(860,204)
Adjustment in respect of prior years	(51,716)	2,072
Adjustments to brought forward values	1,746	-
Other permanent differences	-	21
Under/(over) provision in prior years	16,541	(65,420)
Foreign exchange differences	7,332	7,745
Exempt ABGH distributions	(9,818)	(7,616)
Chargeable gains / (losses)	99,178	(82,279)
Remeasurement of deferred tax for changes to tax rates	(1,142)	(51,571)
Losses carried back	-	30,624
Fixed assets differences	(56)	(253)
Movement in deferred tax not recognised	63,787	36,050
Taxation (credit) / charge for the year	(82,655)	(255,676)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

11. INTANGIBLE ASSETS

	Goodwill £	Software £	Qualifications £	Total £
Cost				
At 1 January 2022	-	924,116	1,730,847	2,654,963
Additions	222,078	37,372	145,376	404,826
At 31 December 2022	222,078	961,488	1,876,223	3,059,789
Additions	-	53,830	49,942	103,772
At 31 December 2023	222,078	1,015,318	1,926,165	3,163,561
Amortisation and impairment				
At 1 January 2022	-	704,610	533,010	1,237,620
Charge for the year	-	183,255	132,535	315,790
At 31 December 2022	-	887,865	665,545	1,553,410
Charge for the year	44,417	30,223	138,035	212,675
At 31 December 2023	44,417	918,088	803,580	1,766,085
Carrying value				
At 31 December 2023	177,661	97,230	1,122,585	1,397,476
At 31 December 2022	222,078	73,623	1,210,678	1,506,379

Goodwill has arisen as a result of an acquisition in subsidiaries at the end of the prior year.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Fixtures and fittings £	IT Equipment £	Right of use assets £	Total £
Cost					
At 1 January 2021	2,383,659	832,196	344,338	290,582	**3,850,775**
Additions	-	-	4,431	-	**4,431**
Business combinations	-	-	733	-	**733**
Disposals	-	-	-	(11,307)	**(11,307)**
At 31 December 2022	2,383,659	832,196	349,502	279,275	**3,844,632**
Additions	-	-	47,426	-	**47,426**
Transfers to assets held for sale	(2,383,658)	(832,196)	(176,765)	-	**(3,392,619)**
Disposals	-	-	-	(252,464)	**(252.464)**
At 31 December 2023	-	-	220,163	26,811	**246,975**
Accumulated Depreciation and impairment					
At 1 January 2022	88,888	739,826	277,971	207,254	**1,313,940**
Charge for year	25,112	28,179	32,865	52,990	**139,146**
Eliminated on disposal	-	-	-	(10,993)	**(10,993)**
At 31 December 2022	114,000	768,005	310,837	249,251	**1,442,093**
Charge for the year	26,079	15,803	29,199	30,024	**101,105**
Transfers to assets held for sale	(140,079)	(783,808)	(176,199)	-	**(1,100,086)**
Eliminated on disposal	-	-	-	(252,464)	**(252,464)**
At 31 December 2023	-	-	163,836	26,811	**190,647**
Carrying amount					
At 31 December 2023	-	-	56,327	-	**56,327**
At 31 December 2022	2,269,658	64,192	38,665	30,024	**2,402,539**

At the end of the year the company had begun the process to sell the property, including its fixtures and fittings, and it has been transferred to assets held for sale under IFRS5.

13. INVESTMENTS

	Current 2023 £	Current 2022 £	Non-current 2023 £	Non-current 2022 £
Other investments	**-**	-	**7,400,585**	**6,533,845**

Other investments are in respect of a pooled investment fund managed by Barclays Wealth. The investment is stated at its market value in the statement of financial position and any change in market value is reflected in the fair value reserve.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

13. INVESTMENTS (CONT)

	Investments £
Cost or valuation	
At 1 January 2023	**6,533,845**
Additions	**2,347,078**
Disposals	**(2,321,946)**
Realised gain on disposal	**20,874**
Unrealised loss on changes in market value	**813,279**
Movement in accrued interest	**7,455**
At 31 December 2023	**7,400,585**
Carrying amount	
At 31 December 2023	**7,400,585**
At 31 December 2022	6,533,845

14. SUBSIDIARIES

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
CILEX Regulation Limited	Room 301, Endeavour House Wrest Park, Silsoe, Bedford, England, MK45 4HS	Direct	100.00
CILEX Law School Limited	College House, Manor Drive, Kempston, Bedford, Bedfordshire, MK42 7AB	Direct	100.00
Institute of Paralegals	Cilex Manor Drive, Kempston, Bedford, England, MK42 7AB	Direct	100.00
Professional Paralegal Register	Cilex Manor Drive, Kempston, Bedford, England, MK42 7AB	Direct	100.00

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of their individual accounts by virtue of section 479A: Institute of Paralegals; and Professional Paralegal Register.

The CILEX group agrees to guarantee the liabilities of Institute of Paralegals (company number 04919219) and Professional Paralegal Register (company number 08958676), thereby allowing them to take exemption from having an audit under section 479A of the Companies Act 2006.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

15. ASSETS HELD FOR SALE

	2023 £	2022 £
Property, plant and equipment	2,544,000	-
	2,544,000	-

At the end of the year the company had begun the process to sell the property, including its fixtures and fittings. As such, the assets have been transferred to assets held for sale under IFRS5.

16. TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
Trade receivables	2,791,413	2,698,122
Provision for bad and doubtful debts	(568,011)	(368,505)
	2,223,402	2,329,617
VAT recoverable	-	2,260
Current tax receivables	26,400	-
Other receivables	155,000	150,515
Prepayments and accrued income	464,651	409,298
	2,869,453	2,891,690

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

17. TRADE RECEIVABLES - CREDIT RISK

	Carrying value		Fair value	
	2023 £	2022 £	2023 £	2022 £
Fair value of trade receivables				
The directors consider that the carrying amount of trade and other receivables differs from fair value as follows:				
Trade receivables net of allowances	2,223,402	2,329,617	-	-
Current tax receivable	26,400	-		
Other receivables	155,000	150,515	-	-
Prepayments and accrued income	464,651	409,298	-	-
	2,869,453	2,889,430	-	-

Movement in the allowances for doubtful debts	2023 £
Balance at 1 January 2023	368,505
Additional allowance recognised	203,436
Amounts written off as uncollectable	(3,930)
Balance at 31 December 2023	568,011

18. BORROWINGS

Borrowings held at amortised cost:	2023 £	2022 £
Bank loans	3,060,000	1,950,000

At 31 December 2023 £3,060,000 (2022: £1,950,000) was drawn down for general corporate purposes on a secured facility from Barclays at an interest rate of 4.25% (0.75% + BoE Base Rate of 3.5%).

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

19. TRADE AND OTHER PAYABLES

	2023 £	2022 £
Trade payables	**286,320**	331,971
Accruals	**609,323**	506,827
Social security and other taxes	**161,699**	159,089
Other payables	**60,910**	93,258
	1,118,252	1,091,145

20. LEASE LIABILITIES

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £	2022 £
Current liabilities	**-**	37,702
Non-current liabilities	**-**	-
	-	37,702
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	**703**	7,369

21. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes

	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	**428,637**	613,827

The group operates a defined contribution pension scheme for all qualifying employees.
The assets of the scheme are held separately from those of the group in an independently administered fund.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

22. CASH (ABSORBED BY) / GENERATED FROM OPERATIONS

	2023 £	2022 £
(Loss) / profit for the year before income tax	**(426,869)**	(2,619,220)
Adjustments for:		
Finance costs	**100,301**	35,677
Investment income	**(100,932)**	(75,121)
Amortisation and impairment of intangible assets	**212,673**	315,790
Depreciation and impairment of property, plant and equipment	**101,105**	139,146
Gain on sale of investments	**(20,874)**	(178,383)
Other gains and losses	**(813,279)**	1,112,239
Movements in working capital:		
(Increase) / Decrease in trade and other receivables	**8,135**	(129,651)
Increase / (Decrease) in trade and other payables	**27,107**	(172,527)
Increase in deferred revenue outstanding	**194,530**	884,732
Cash absorbed by operations	**(717,923)**	**(687,318)**

COMPANY STATEMENT OF FINANCIAL POSITION

		2023 £	2022 £
NON CURRENT ASSETS			
Intangible assets	24	**1,219,815**	1,283,807
Property, plant and equipment	25	**50,500**	2,396,096
Investments	26	**8,020,982**	7,304,242
		9,291,297	10,984,145
CURRENT ASSETS			
Assets held for sale	27	**2,544,000**	-
Trade and other receivables	28	**2,905,038**	2,849,123
Cash and cash equivalents		**566,249**	472,751
		6,015,287	3,321,874
CURRENT LIABILITIES			
Trade and other payables	30	**2,703,841**	2,848,955
Current tax liabilities		**-**	-
Borrowings	29	**3,060,000**	1,950,000
Lease liabilities	31	**-**	37,702
Deferred Income		**3,630,121**	3,391,388
		9,393,962	8,228,045
NET CURRENT LIABILITIES		**(3,378,975)**	(4,906,171)
NON CURRENT LIABILITIES			
Lease liabilities	31	**-**	-
Deferred tax liabilities		**332,576**	234,394
		332,576	234,394
NET ASSETS		**5,580,047**	5,843,580
EQUITY			
Revaluation reserve		**652,945**	443,764
Fair value reserve		**974,221**	160,942
Retained earnings		**3,952,880**	5,238,874
TOTAL EQUITY			
		5,580,046	5,843,580

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £475,243 (2022 - £2,055,025 loss).

The financial statements were approved by the board of directors and authorised for issue on XX MONTH 2024 and are signed on its behalf by:

Professor Chris Bones
Chair

COMPANY STATEMENT OF CHANGES IN EQUITY

	Revaluation reserve £	Fair value reserve £	Retained Earnings £	Total £
Balance at 1 January 2022				
Year ended 31 December 2022:	446,521	1,273,181	6,178,903	7,898,605
Loss and total comprehensive income	-	-	(2,055,025)	(2,055,025)
Transfer to other reserves	(2,757)	(1,112,239)	1,114,996	-
Balance at 31 December 2022	443,764	160,942	5,238,874	5,843,580
Year ended 31 December 2023:				
Loss and total comprehensive income	211,709	-	(475,243)	(263,534)
Transfer to other reserves	(2,528)	813,279	(810,751)	-
Balance at 31 December 2023	**652,945**	**974,221**	**3,952,880**	**5,580,046**

Transfer to other reserves relates to the fair value gain/(loss) on investments and adjustments to the revaluation reserve for depreciation.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

23. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 No.	2022 No.
Total	**137**	137

The aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	**4,402,943**	4,553,795
Social security costs	**407,303**	438,855
Pension costs	**321,073**	517,818
	5,131,319	5,510,468

24. INTANGIBLE ASSETS

	Software £	Qualifications £	Total £
Cost			
At 1 January 2022	924,116	1,730,847	**2,654,963**
Additions	36,878	145,376	**182,254**
At 31 December 2022	960,994	1,876,223	**2,837,217**
Additions - purchased	53,830	49,942	**103,772**
At 31 December 2023	1,014,824	1,926,165	**2,940,989**
Amortisation and impairment			
At 1 January 2022	704,610	533,010	**1,237,620**
Charge for the year	183,255	132,535	**315,790**
At 31 December 2022	887,865	665,545	**1,553,410**
Charge for the year	29,729	138,035	**167,764**
At 31 December 2023	917,594	803,580	**1,721,174**
Carrying value			
At 31 December 2023	97,230	1,122,585	**1,219,815**
At 31 December 2022	73,129	1,210,678	**1,283,807**

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

25. PROPERTY, PLANT AND EQUIPMENT

	Freehold property	Fixtures and fittings	IT Equipment	Right of use assets	Total
At 1 January 2022	2,383,658	832,197	319,282	290,582	**3,825,719**
Additions	-	-	-	-	**-**
Disposals	-	-	-	(11,307)	**(11,307)**
At 31 December 2022	2,383,658	832,197	319,282	279,275	**3,814,412**
Additions		-	4,481	-	**44,481**
Transfers to assets held for sale	(2,383,658)	(832,197)	(175,333)	-	**(3,391,188)**
Disposals	-	-	-	(252,464)	**(252,464)**
At 31 December 2023	-	-	188,430	26,811	**215,241**
Accumulated Depreciation and impairment					
At 1 January 2022	88,888	739,826	257,717	207,254	**1,293,686**
Charge for year	25,112	28,179	29,343	52,990	**135,623**
Eliminated on disposal	-	-	(10,993)	**(10,993)**	
At 31 December 2022	114,000	768,005	287,060	249,251	**1,418,316**
Charge for the year	26,079	15,803	26,203	30,024	**98,109**
Transfers to assets held for sale	(140,079)	(783,808)	(175,333)	-	**(1,099,220)**
Eliminated on disposal	-	-	-	(252,464)	**(252,464)**
At 31 December 2023	-	-	137,930	26,811	**164,741**
Carrying amount					
At 31 December 2023	-	-	50,500	-	**50,500**
At 31 December 2022	2,269,659	64,192	32,222	30,024	**2,396,096**

At the end of the year the company had begun the process to sell the property, including its fixtures and fittings, and it has been transferred to assets held for sale under IFRS5.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

26. INVESTMENTS

	2023 £	2022 £
Investments in subsidiaries	**620,397**	770,397
Other investments	**7,400,585**	6,533,845
	8,020,982	7,304,242

Details of the company's principal operating subsidiaries are included in note 14.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

27. ASSETS HELD FOR SALE

	2023 £	2022 £
Property, plant and equipment	**2,544,000**	-
	2,544,000	-

At the end of the year the company had begun the process to sell the property, including its fixtures and fittings. As such, the assets have been transferred to assets held for sale under IFRS5.

28. TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
Trade receivables	**2,662,860**	2,566,606
Provision for bad and doubtful debts	**(462,287)**	(247,814)
	2,200,573	2,318,792
VAT recoverable	-	2,260
Current tax receivables	**39,881**	-
Amounts owed by fellow group undertakings	**98,918**	2,503
Other receivables	**111,211**	150,515
Prepayments and accrued income	**454,455**	375,053
	2,905,038	2,849,123

NOTES TO THE COMPANY FINANCIAL STATEMENT

29. BORROWINGS

	2023 £	2022 £
Borrowings held at amortised cost:		
Bank loans	**3,060,000**	1,950,000

At 31 December 2023 £3,060,000 (2022: £1,950,000) was drawn down for general corporate purposes on a secured facility from Barclays at an interest rate of 4.25% (0.75% + BoE Base Rate of 3.5%).

30. TRADE AND OTHER PAYABLES

	2023 £	2022 £
Trade payables	**281,757**	313,415
Amounts owed to fellow group undertakings	**1,710,436**	1,844,704
Accruals	**492,110**	441,345
Social security and other taxation	**161,699**	158,363
Other payables	**57,839**	91,128
	2,703,841	2,848,955

31. LEASE LIABILITIES

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £	2022 £
Current liabilities	**-**	37,702
Non-current liabilities	**-**	-
	-	37,702

"I think it's really important for team members to obtain professional qualifications. It allows them to gain advancement within the firms as it gives them greater practicing rights within the work they do."

Watkins & Gunn

THE CILEX FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

THE CILEX FOUNDATION

COMPANY INFORMATION

Trustees' report and financials for the year ended 31 December 2023

TRUSTEES

CHARITY NUMBER

1185862

REGISTERED OFFICE AND OPERATIONAL ADDRESS

Kempston Manor
Manor Drive
Kempston
Bedford
MK42 7AB

INDEPENDENT EXAMINERS:

Mercer & Hole LLP
21 Lombard Street
London
EC3V 9AH

"What CILEX apprentices learn is very relevant to what we do on a day-to-day basis. Having apprentices within the firm has been really successful for us, it's helped us to develop existing staff as well as enabled us to recruit new members. And we're seeing the apprentices really adding value to the firm. We have great confidence in the CILEX offering and peace of mind that our staff are receiving quality training."

Sarah Jones, Partner, Fraser Dawbarns

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

OBJECTIVES AND ACTIVITIES

The CILEX Foundation is a registered charity (charity no.1185862) offering charitable grants and support to members of the Chartered Institute of Legal Executives (CILEX). The Charity operates within England and Wales and supports CILEX Lawyers, current and former members of the profession and their dependents.

The CILEX Foundation administers an academic support fund by way of scholarships, bursaries and grants. The CILEX Foundation also provides hardship grants to qualifying members of CILEX. The CILEX Foundation may support any other charitable cause which it feels furthers these charitable aims. These charitable activities are funded by donations, both from CILEX directly, and from other fundraising streams.

ACHIEVEMENTS AND PERFORMANCE

During the year, the Foundation awarded the following scholarships, bursaries and grants:

- Award of 3 CILEX Lawyer Scholarships, covering the costs of training to become CILEX lawyers
- CILEX Foundation Bursaries awarded to 7 beneficiaries, providing funding to CILEX members from under-represented groups to access training and continue their studies
- Welfare Grants totalling over £11k made under the CILEX Welfare and Support Programme, supporting members who are experiencing unexpected hardship

FINANCIAL REVIEW

As at 31st December 2022, the Foundation is holding reserves of £165,834, comprising unrestricted reserves of £29,360 and restricted reserves of £136,474. These funds are held to be utilised in support of the Foundations activities through 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The CILEX Foundation is a company limited by Guarantee registered with the Charity Commission. The Foundation operates [as a limited company] under its Memorandum and Articles of association.

The Trustee Board comprises at least 3 Trustees who are appointed by the Charity's Member (CILEX). This will usually include at least one Independent Trustee and at least two Trustees who are office holders of CILEX.

Trustees, upon induction, are provided with guidance from the Charity Commission on public benefit and their responsibilities. Further, Trustees receive an update/refresher training from the Charity Lead each year on their key responsibilities.

THE CILEX FOUNDATION TRUSTEE AND DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

During the reporting period, Trustees committed to a fundraising and income generation strategic plan and enlisted the support of a specialist fundraising strategist to further this area of work. This aligns with the longer term strategy to provide a sustainable and reliable source of support to members, satisfying our charitable aims.

Day to day management is delegated to CILEX, as the Member. A Charity Lead is employed to oversee the activity of the CILEX Foundation, and there is a Service Level Agreement in place which sets out the day to day operational/management support for charitable activities and delegated authority forms exist setting out limits for both spending and approving incoming donations.

The CILEX Foundation has established policies which set out our grant making activities and associated procedures. The Assessment and Award – Scholarship and Assessment and Award – Bursary and Welfare Grants policies defines the aims and objectives of our Scholarship Programme, how this activity aligns with our strategic charitable aim of furthering education opportunities to underrepresented groups and sets out the nature of award to be made.

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2023.

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 101 'Reduced Disclosure Framework'. 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 profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 CILEX Foundation is a registered charity (charity no.1185862) offering charitable grants and support to members of the Chartered Institute of Legal Executives.

BUSINESS REVIEW

The CILEX Foundation administers an academic support fund by way of scholarships, bursaries and grants. The CILEX Foundation also provides hardship grants to qualifying members of the chartered institute of legal executives. The CILEX Foundation will also engage in the promotion of Pro Bono (voluntary) work amongst its members. The CILEX Foundation may support any other charitable cause which it feels furthers these charitable aims. These charitable activities will be funded by donations, both from The Chartered Institute of Legal Executives directly, and from other fundraising streams.

This report was approved by the board on 11 June 2024 and signed on its behalf.

His Hon Judge Marc David Dight

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE CILEX FOUNDATION

We report on the accounts of the Trust for the year period 31 December 2023, which are set out on pages 6 to 12 of the Trustees Annual Report and Accounts and signed by the Trustees.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is our responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to our attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

Our examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER'S STATEMENT

In connection with our examination, no matter has come to our attention:

(1) which gives us reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act, and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

have not been met; or

(2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Mercer & Hole LLP

For and on behalf of
Mercer & Hole

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted	Restricted	Year ended 31.12.2023 TOTAL	Year ended 31.12.2023 TOTAL
		£	£	£	£
Incoming resources					
Income from Donations	Note 3	3,525	1,847	5,372	183,738
Total incoming resources		3,525	1,847	5,372	183,738
Resources expended					
Salary Costs	Note 4	-	29,263	29,263	27,491
Grants Made	Note 4/5	-	44,631	44,631	138,475
Other Admin Costs	Note 4	11,109	-	11,109	2,602
Total resources expended		11,190	73,894	85,083	168,568
Net incoming resources		(7,665)	(72,047)	(79,712)	15,170
Transfer between funds		-	-	-	-
Net movement in funds		(7,665)	(72,047)	(79,712)	15,170
Reconciliation of funds					
Total funds, Brought forward		37,025	208,520	245,545	230,375
Total funds, Carried forward		29,360	136,474	165,834	245,545

BALANCE SHEET AS AT 31 DECEMBER 2023

	Notes	Year ended 31.12.2023 £	Year ended 31.12.2022 £
CURRENT ASSETS			
Debtors	Note 9	**1,358**	1,198
Cash at Bank and in Hand		**170,361**	256,808
		171,719	258,006
CREDITORS			
Amounts falling due within 1 year	Note 10	**(5,885)**	(12,460)
NET CURRENT ASSETS		**165,834**	245,546
NET ASSETS		**165,834**	245,546
FUNDS OF THE CHARITY			
Restricted Funds		**136,474**	208,521
General Reserve Fund		**29,360**	37,025
TOTAL FUNDS		**165,834**	245,546

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts 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 Directors and were signed on behalf of the Charity by His Hon Judge Marc David Dight on 11th June 2024.

His Hon Judge Marc David Dight
Director

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1. BASIS OF PREPARATION

1.1 Basis of accounting

The financial statements have been prepared in accordance with the Charities SORP 2nd edition (FRS 102)(effective 1 January 2019) - Accounting and Reporting by Charities: statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Section 1A the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Companies Act 2006.

The CILEX Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

2. ACCOUNTING POLICIES

2.1 Incoming resources

Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to the resources and the resources have been received.

Grants and donations are included in the SoFA when received.
Volunteer help: The value of any voluntary help received is not included in the accounts but is described.

2.2 Expenditure and liabilities

Expenditures are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

2.3 Measurement basis for debtors

Prepayments are valued at the amount prepaid net of any trade discounts due.

3. ANALYSIS OF INCOMING RESOURCES

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Donations	3,525	1,847	**5,372**	183,738
	3,525	1,847	**5,372**	183,738

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

4. ANALYSIS OF RESOURCES EXPENDED

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Direct Costs				
Salary costs	–	29,263	**29,263**	27,491
Grants and student fees	–	44,631	**44,631**	138,475
	-	**73,894**	**73,894**	165,966

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Support Costs				
Administration costs	11,190	-	**11,190**	2,602
	11,190	**-**	**11,190**	2,602

5. GRANT MAKING ACTIVITIES

	2023 £	2022 £
Bursary grants	**22,164**	20,565
Scholarship grants	**11,100**	103,196
Welfare grants	**11,367**	14,714
Total grants	**44,631**	138,475

All grants are awarded to individuals (albeit Bursary and Scholarship grants are paid direct to the institution upon invoice).

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

6. DETAILS OF CERTAIN ITEMS OF EXPENDITURE

	2023 £	2022 £
6.1 Trustee expenses	**Nil**	Nil

6.2 Trustee remuneration During the year ending 31 December 2023, no trustee received any remuneration or other benefits from the charity (2022: £nil).

7.1 STAFF COSTS

	2023 £	2022 £
Gross salaries	**24,392**	21,004
Employer's National Insurance costs	**2,111**	1,739
Pension costs	**2,760**	2,382
Total staff costs	**29,263**	25,125

7.2 AVERAGE NUMBER OF EMPLOYEES

	2023	2022
Average number of employees	1	1

There are no employees who received total employee benefits (excluding employer pensions costs) of more than £60,000.

8. INDEPENDENT EXAMINERS FEES

	2023 £	2022 £
Independent examiner fees	**3,420**	1,260
Total	**3,420**	1,260

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

9. DEBTORS AND PREPAYMENTS

	2023 £	2022 £
Amounts falling due within one year		
Prepayments and accrued income	**1,358**	1,198
Total	**1,358**	1,198

10. CREDITORS AND ACCRUALS

	2023 £	2022 £
Amounts falling due within one year		
Other creditors	**706**	-
Accruals and Deferred Income	**5,179**	12,460
Total	**5,885**	12,460

THE CILEX FOUNDATION INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

	£	£
Income		
Donations received	5,372	
Total Donations received		**5,372**
Expenditure		
Wages and Salaries	29,263	
Grants payable	44,631	
Consultancy fees	5,500	
Insurance	1,378	
Bank charges	258	
Subscriptions	411	
Accountancy fees	3,570	
Sundry costs	73	
Total Expenditure		**(85,084)**
Loss for the year		**(79,712)**

“The CPQ is a flexible pathway into law for a diverse range of our people. The three stages of CPQ mean that there are now opportunities to obtain qualifications for those who wish to become career paralegals and beyond. We enjoy working with CILEX to develop the future talent within our business.“

Foot Anstey

CILEX

Chartered Institute of Legal Executives (CILEX)
Kempton Manor, Kempton, Bedford, MK42 7AB
cilex.org.uk