



ANNUAL REVIEW 2022

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



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OFFICERS AND PROFESSIONAL ADVISERS

COMPANY REGISTRATION NUMBER

RC000850

BOARD OF DIRECTORS

C Bones (Chair)
S Lee
A MacIver
C Jepson
M Huggett
E Davies
M Foster
D Olulode
J Dosanjh-Elton
J Radford
S Grewal

REGISTERED OFFICE

Kempston Manor
Kempston
Bedford
MK42 7AB

INDEPENDENT AUDITOR

Mercer & Hole LLP
21 Lombard Street
London
EC3V 9AH



“I was already working in a law firm 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 is a global leader and innovator within the legal sector, setting high professional and ethical standards and driving greater diversity in the profession for the benefit of society. CILEX-qualified professionals are valued for the rigour of their training, their practical skillset and their specialist expertise.



2022 A YEAR IN REVIEW

—

AND CILEX IN NUMBERS



CHAIR'S REPORT

I have led the Board of CILEX now for five years. It has been a huge privilege to work on your behalf, and whilst at times it has been an uphill struggle to manage our way through the scale of change we needed to achieve to deliver results, the last three years have started to show real movement in the standing of the profession and the capability of your institute to develop and grow CILEX into a modern, progressive and attractive professional body.

CILEX has faced significant challenges in 2022 which have necessitated a robust strategy and unwavering commitment from the Board and Executive to pursue the reforms we believe are vital to fulfilling our public interest duties and responsibilities. Our aim, to achieve a legal services framework in which Specialist Lawyers are rightly afforded the same career opportunities and recognition as their Generalist counterparts sits at the heart of everything we do. We want a legal services sector and a justice system in which diversity of background and education route are valued; one where all legal professionals, lawyers and paralegals are held to robust standards and subject to appropriate regulation and one in which regulation acts as an enabler to increased consumer choice and provides trust and confidence through consistent standards and consumer protection.

Last year, I outlined our priorities for the next three years against our four strategic pillars:

Make Justice Better – complete the progress made on removing the final barriers to full participation in the justice system and continue to support more CILEX members into the judiciary, partnership and other leading roles

Make Work Better – challenge the employment experience of our members and look to improve the treatment not just of the membership as a whole but specifically for those from diverse backgrounds to ensure we root out bias and discrimination wherever it exists

Make Ourselves Better – improve the membership offer and experience; support the acquisition of practice rights and (when agreed) higher rights by our members; support personal and career development

Proud of CILEX – establish the CILEX route into the law as a strong and credible alternative to the traditional routes in the minds of students and parents; enhance consumer understanding of specialist lawyers; give every member a voice in CILEX, not just Fellows.

During 2022, we made some fundamental steps forward in preparing the way for significant reforms needed to deliver these objectives, which will be consulted on in 2023. Much of what has been done has been done in quiet conversation, persuasion, analysis and persistent engagement of key decision makers and influencers in government, opposition, parliament, regulators, employers and with other professional bodies.

The heavy lifting required to change our qualification and our apprenticeship proposition has taken a significant amount of staff work and detailed material development. This has been against a backdrop of substantial financial pressure driven by the impact on the economy not just of the COVID pandemic but also from the economic shocks resulting from the illegal invasion of Ukraine early in the financial year.

In addition, the financial results this year have also been adversely affected by changes in the way our education income is recognised following the launch of our CILEX Professional Qualification Framework (CPQ) in 2021, the need to invest in our systems and staff to support our new education products and to respond to legal challenge from our regulator.

The outcome of where CILEX now finds itself is transformational compared to July 2018:

- Our professional qualification now delivers fully authorised specialist lawyers at point of qualification and has redefined legal training to include ethics, digital skills, communication skills, business skills and project management skills that employers are looking for. This sets the CILEX route apart from the traditional general qualification held by Solicitors and is recognised by government and policy makers as an equally valid and academically equivalent alternative to the Solicitor's Qualifying Examination (SQE);

- All the major mortgage lenders bar one now accept CILEX-Led conveyancing firms onto their lender panels;
- CILEX Fellows can now certify copies of Power of Attorney and apply for upper tier judicial appointments and Recorder positions – just as a solicitor can;
- Progress continues to be made to allow our qualified criminal members to be able to be certified as Duty Lawyers directly by CILEX without having to battle the prejudicial views of The Law Society CLAAS scheme and to be appointed by the CPS as a Crown Prosecutor without a need to cross-qualify as a Solicitor.

I am extraordinarily proud of our staff and my Board colleagues who have worked tirelessly on your behalf to ensure that there is no longer anything that anyone can point to suggest that, when qualified to the same extent, there is any reason to pay CILEX Lawyers less, treat them with less respect, or refuse to give them the career recognition they deserve.



Our work has not just focused on CILEX Lawyers, in 2022 we also cemented our role as the professional body home for other legal specialists with our acquisition of the Institute of Paralegals and its Professional Paralegal Register and through our work with the Institute of Apprenticeships and Technical Education (IfATE) and the Trailblazer Employer Group to establish a Legal Technologist standard.

There is however still much to do and our focus for 2023 will be to:

- Support our existing Fellows working in reserved areas to obtain Practice Rights allowing them to benefit from the recognition and opportunity to practice independently without supervision with full equivalence to Solicitors that arises from the gaining of practice rights;
- Address the confusion and a lack of understanding amongst consumers about who we are and the level of our qualifications – especially for fully qualified lawyers who continue to be referred to as legal executives by their firms which can often sound to the uninitiated as a junior position;
- Support our large and committed paralegal membership who are not looking to progress further through our qualification route to become lawyers, instead wishing to pursue a career as a paralegal supported by an industry-accepted career framework, professional standards and recognised regulatory structure;
- Provide equality of opportunity within our own governance structure, through changes to our constitution to allow all members to hold voting rights, to have representation on our professional board and to influence our policies and priorities;

- Challenge the workplace cultures that still exist in which many of our members are treated as second-class citizens, experience prejudice as a result of their route into the law, social or education background and are denied the same investment in their training and development, promotion opportunities and pay as their Solicitor colleagues despite being qualified often to a better standard and having more specialist experience.

In 2023 we are committed to launching a public consultation that will contain proposals that we believe will help CILEX address the first four of these issues and enhance our standing as a profession, make it clear to consumers that we are qualified lawyers, enhance our attractiveness to paralegals and their employers and ensure that every member has a voice. We are also conscious that we have to set in train activity that will enable us and our successors to rebuild the reserves that have been properly utilised to invest in the transformation that has been achieved.

The Board and the staff team remain committed to work to achieve these goals and I urge you all to support us in these endeavours by engaging in all of the opportunities that will be available in 2023 to share your views and experiences.



Professor Chris Bones
Chair



“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

CEO REPORT

2022 has been a year in which the organisation has made significant progress against our strategic goals outlined in last year’s report and in which we have invested heavily in our people, systems and infrastructure to reflect our continued operation as a primarily remote workforce, and to support the market to understand and engage with our new CPQ qualifications, our apprenticeship routes and our specialist paralegal products.

Operational activity continued to grow with our Customer Services Team answering over 24,000 calls and 26,000 general enquiries and our communications team publishing 143,473 social media posts and responding to 744 national, legal and trade press articles.

Our Policy team responded to 16 consultations and worked tirelessly to advocate for the changes that you - our members, have told us are needed. Where the barriers arise from regulation we have raised them with our regulator, CILEX Regulation Limited (CRL). Where the barriers are legislative, we have campaigned to gain government and other stakeholders’ commitment and action to update outdated rules and discriminatory policies preventing CILEX Lawyers practising law on an equal footing to other lawyers in the sector. We have:

- Lobbied Government and the opposition, to recognise that the qualifications, competence and lived experience of our lawyers merit equality of opportunity in all areas of law and any illogical or anachronistic barriers should come down. This included attendance at both Conservative and Labour Party conferences in 2022, at which CILEX highlighted the role CILEX professionals can play in the wider justice system and how CILEX is working to change the legal profession through enhanced social mobility and diversity.

- Secured cross-party commitment to support:
 - amendment to the Powers of Attorney Act 1971 to enable CILEX Lawyers to certify copies;
 - a Statutory Instrument opening up more judicial appointments to eligible CILEX Lawyers;
 - legislation amending the Prosecution of Offences Act 1985 removing the current requirement for CILEX Lawyers to cross qualify as Solicitors in order to become Crown Prosecutors.
 - Engaged in analysis and discussion with the Ministry of Justice to explore the changes needed to enable CILEX Lawyers to become Duty Lawyers and to pave the way for CILEX Regulation to apply to grant higher rights of audience, enabling CILEX Lawyers to appear in the higher courts.
- Our second Member Insights Survey, building on 2021’s powerful dataset, was just one of the ways that our evidence-led approach to lobbying has moved significantly forward in 2022. Responses confirmed that the 2021 results were not a one-off aberration but that our members continue to face bias and discrimination, unconscious and otherwise, in their working environments. This data has not only supported our campaign for change with government but has underpinned our dialogue with law firms and business employing CILEX members, highlighting cultural and behavioural changes needed.

Education

The quality of our qualifications and the standards underpinning them, is a critical element of our success in demonstrating the competence and equivalence of CILEX Lawyers to their Solicitor counterparts practising the same area of law.

In 2022, more than 1,000 learners registered on the CILEX Professional Qualification (CPQ). Of these 500 are studying with CILEX Law School, achieving CILEX Paralegal status on completion of their Advanced stage modules with progression on to CILEX Lawyer status securing practice rights in their chosen specialism. 364 CLS learners took their first CPQ exams in 2022, with 76% passing Foundation stage assessments and setting the benchmark for national performance.

Our Law School also continued to support 2,125 learners completing their Level 3 and Level 6 courses with 3,318 taking their assessments and performing 3% above national average. 290 CLS Apprentices completed their studies this year having passed their End-Point Assessments.

Our Awarding Body delivered a total of 7,050 exams for those completing Level 3 and Level 6 qualifications and CPQ Foundation and Advanced stages. 2022 pass rates remain positive with 76% of candidates passing Level 3 and CPQ Foundation and 70% at Level 6 and Advanced.

This year we also launched our graduate fast-track route into CPQ providing those with a law degree an alternative choice to qualifying as a Solicitor and our new specialist Level 3 certificates for those wanting to study a more focused practice-area based Paralegal programme.

Work has continued in collaboration with the relevant Employer Trailblazer Groups, to align the apprenticeship standards that will launch in 2023, to CILEX Paralegal and Lawyer statuses. We have lobbied hard to ensure these new apprenticeships achieve parity of funding and recognition of the academic equivalence of CILEX Lawyers, Litigators and Advocates when compared to the generalist solicitor apprenticeship.

CILEX Charitable Foundation

Throughout 2022, our charity, the CILEX Foundation, continued to play a vital role in supporting our members, students and prospective learners to access financial assistance.

As the fall-out from the pandemic, Russian-Ukrainian war and the cost-of-living crisis increased the financial pressure on many members, the Foundation provided much needed funding, awarding:

- Welfare and hardship grants amounting to £14,000 to members experiencing financial difficulties, with many more being referred for debt advice and crisis services;
- Six full CPQ scholarships, worth £12,500 each, giving candidates from socially and financially disadvantaged backgrounds the opportunity to study law through CILEX;
- Two Millicent Grant Scholarships - an award designed to promote diversity by encouraging those from under-represented ethnic or heritage groups to enter the legal profession;



- Seven Bursary awards amounting to £25,000 to enable existing learners to complete their legacy qualifications, transition to the CPQ pathway or enroll on distinct CPQ modules to enhance their career development.

This year the CILEX Foundation established a new partnership with PayPlan, allowing all members to access free money, budgeting and debt advice and began work on a new fundraising and partnership strategy that will be launched in 2023.

Membership

With the appointment of a new Head of Membership, Patrick Cullen, 2022 has seen a renewed focus on improving our member networks with over 1,824 members now part of our Special Reference Groups.

Our 2022 engagement tour saw our membership team supported by the President, meet over 200 members and 50 employers at 16 events in 8 cities, providing opportunities for you to share your views and experiences and raising greater awareness amongst with employers of the capabilities of CILEX professionals and the benefits of the CILEX route into law.

The feedback and insight gained has informed improvements to our website and customer journey supporting 22,500 log-ins to MyCareer with members engaging with 42,224 activities and accessing over 1,000 products and services accessed through CILEX Rewards. The portal remains the primary source for members to access member benefits including our digital badges with 47% of members downloading their digital credentials in 2022.

Member feedback has helped us design new CPD content and career development products and has led us to raise with our independent regulator, CRL, those issues that you have reported including barriers to obtaining practice rights and advocacy training, difficulties securing indemnity insurance and a lack of recognition by banks, lender panels and contract providers. As a result of your representations, we have advocated for CILEX Lawyers to be granted higher rights of audience and identified changes needed to our governance and regulatory delegation that we will consult on in 2023.

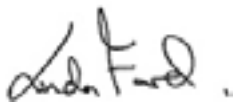
The year ended with our acquisition of the Institute of Paralegals (IoP) and Professional Paralegal Register. Growing our membership by circa 1,000 more paralegals and cementing our ambition to be the home of all specialist legal professionals.

During 2023 we will manage the integration of all IoP members into the CILEX membership structure and update our standards framework to provide a clear and progressive career ladder and recognised professional status as part of the Chartered Institute.

Our achievements would not have been possible without the hard work, passion and resilience shown by my dedicated staff team, the panels of volunteers who provide expert assistance and the support, strategic direction and governance provided by the CILEX Board. Our work has been enhanced by the insight and member perspective gained from our Professional Board, our Special Reference Groups and our Advisory Boards. I thank them all for their efforts.

As we look to 2023, a restructure of our sales and marketing functions and the appointment of Chief Operating Officer, Craig Hamer in late 2022, has ensured the business continues to adapt its operating model to the changing landscape in which we operate and to recognise the evolving needs of our customers.

This, together with further progress in our reform agenda to review our model of delegated regulation, to secure legislative change and government recognition of the equivalence of those qualifying through the CILEX route including through the launch of new apprenticeship programmes, provide a strong backdrop for further progress against our 2019-2024 strategic plan and improved financial performance in 2023.



Linda Ford
Chief Executive Officer



“As an employer, I think it’s really important to show your commitment to your staff, and I would highly recommend that employers, where possible, can support their staff in the new CILEX CPQ qualification. I think the legal landscape has changed significantly and I’m really excited about the new qualifications offering to put CILEX Lawyers on par with solicitors.”

Donna Hart, Family Lawyer & Partner, Everys



REPORT FROM THE CHAIR OF THE APPOINTMENT AND SCRUTINY COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2022

As part of our Governance Framework, since 2019 CILEX has operated an Appointment and Scrutiny Committee. 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 met twice in 2022 in line with its terms of reference and considered 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. The committee is satisfied that decisions made were supported by robust rationale, good quality analysis and with sufficient regard to the Institutes responsibilities as a Chartered public interest body, Professional Association, Approved Regulator and Qualification Awarding Organisation.

The Committee welcomed the strategic progress made in 2022, particularly in respect of the Campaign for Change public affairs manifesto focused on the legislative and policy reforms needed to remove barriers for CILEX Lawyers to gain access to the same career opportunities as their Solicitor counterparts, the development of new apprenticeship standards aligned to the CILEX Professional Qualification and the acquisition of the Institute of Paralegals. The Committee also recognised the substantial investment that had been required to achieve this strategic success and the impact of revised income recognition associated with the new qualifications and responding to legal challenge

from its delegated regulator CILEX Regulation Limited. The committee commended the diligence the board had shown in its oversight and decision-making with regard to both its reform agenda and the institute's financial performance.

Appointment and Scrutiny Committee considers the governance arrangements to be fit for purpose and recognised that the distinct nature of CILEX's governance framework within the legal sector, with an independent Chair and lay majority Board, continues to represent best practice. The model allows CILEX to discharge its duties with sufficient independence to act in the public interest with decisions made by those who have no personal interest whilst still having appropriate regard to and focus on members through its Professional Board and Presidential team, this has been particularly important in respect of its review of regulation.

Having reviewed the outcomes of the Board member annual performance reviews and the independent Board Effectiveness Review Report, the committee approved the extension of the terms of three Non-Executive Board members in 2022, together with the appointment of a new role of Independent Secretary and Board Adviser and the establishment of a new Sales and Marketing Advisory Board.

The Appointment and Scrutiny Committee remains fully satisfied that the Board continues to discharge its duties diligently and the membership can be assured that it is effective in its leadership and governance of the institute.

Phillip Sherwood FCILEX (Past President 2018-19)
Chair of Appointment and Scrutiny Committee



“I would highly recommend CILEX as a route to qualification for any students who are thinking of continuing to work full-time but also wanting to study flexibly or maybe work around other commitments.”

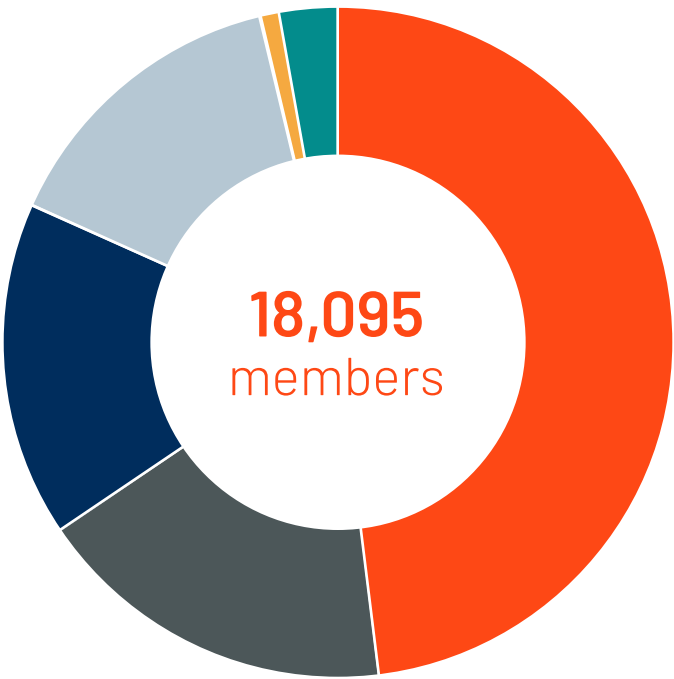
CILEX member



OUR MEMBERSHIP IN NUMBERS

For over **50 years** CILEX has been committed to broadening access to the legal profession by providing training and support for our members. With over **18,000 members**, the career progression and personal development of our members has never been more important to us.

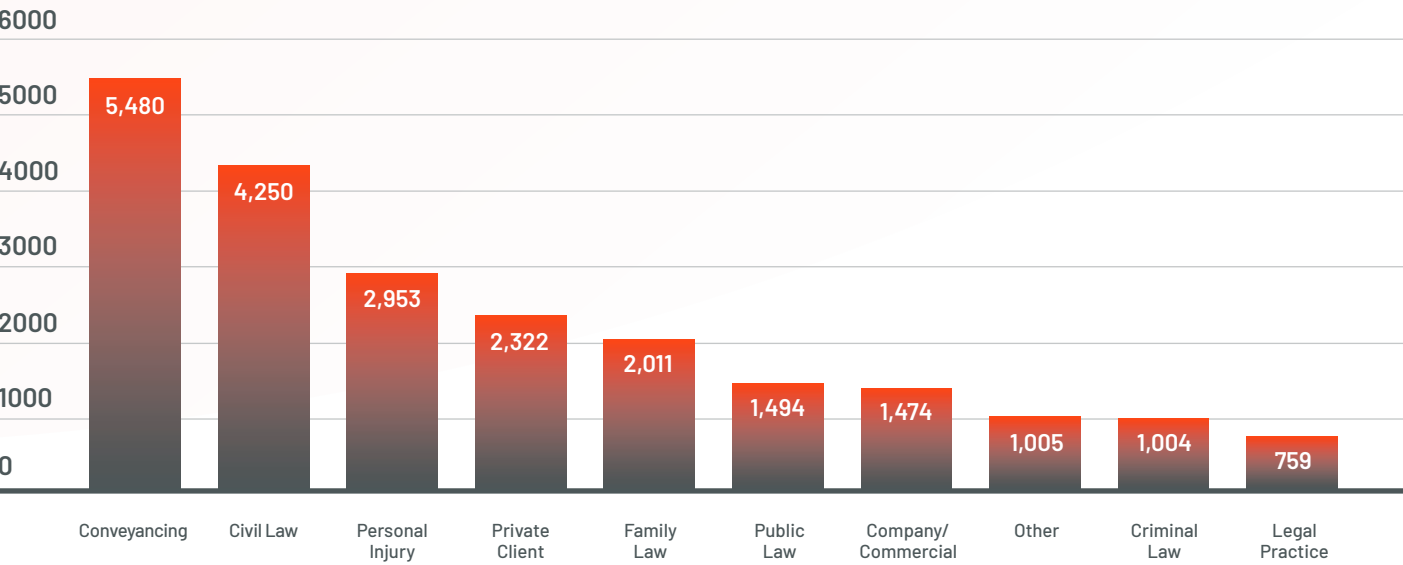
MEMBERSHIP OF THE INSTITUTE



Key:		
<div></div>	Fellow:	48%
<div></div>	Advanced Paralegal:	15%
<div></div>	Paralegal:	17%
<div></div>	Student:	15%
<div></div>	Associate Prosecutor:	1%
<div></div>	Affiliate:	4%

TOP 10 SPECIALISMS

In 2022, CILEX welcomed 741 new Fellows. We continue to offer pathways to qualification in many different legal practice areas, to help all of our members pursue a career in law, in an area of their choosing.



As we continue to push for parity within the sector, we are delighted to celebrate the achievements of 51 CILEX Practitioners and 6 CILEX Advocates who successfully achieved their status. Becoming a CILEX Practitioner or a CILEX Advocate means our members gain individual practice rights, or advocacy rights, so that they can practise without supervision in a regulated firm, in areas of practice that are typically restricted.

ACHIEVEMENTS

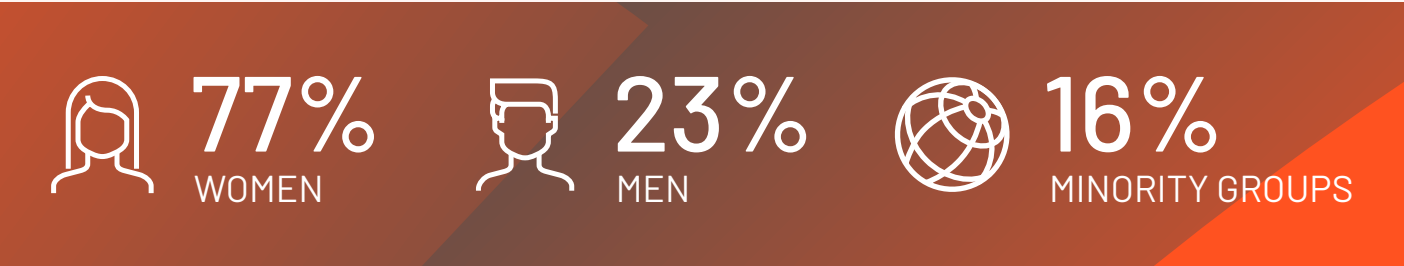


(+35 ACCA-Probate Practitioners)

OUR DIVERSE MEMBERSHIP

At CILEX we’re committed to ensuring inclusion and diversity is at the centre of what we do and by celebrating and encouraging diverse voices across the legal sector, we know this adds value to the communities our members serve.

We continue to monitor and report data, and are proud to say 77% of our members are women, and around 16% of all our members are from Black, Asian or Minority Ethnic groups.



5.7% OF OUR MEMBERS CONSIDER THEMSELVES TO HAVE A DISABILITY

4% OF OUR MEMBERS ARE LGBTQA+

SEXUAL ORIENTATION



4%
LGBTQA+

96%
HETEROSEXUAL/
STRAIGHT

EDUCATION



56%

OF OUR MEMBERS DID NOT ATTEND UNIVERSITY



“I definitely recommend the CILEX route. You can work at the same time and you can balance it around everyday life. You still get the end result ultimately.”

CILEX student member





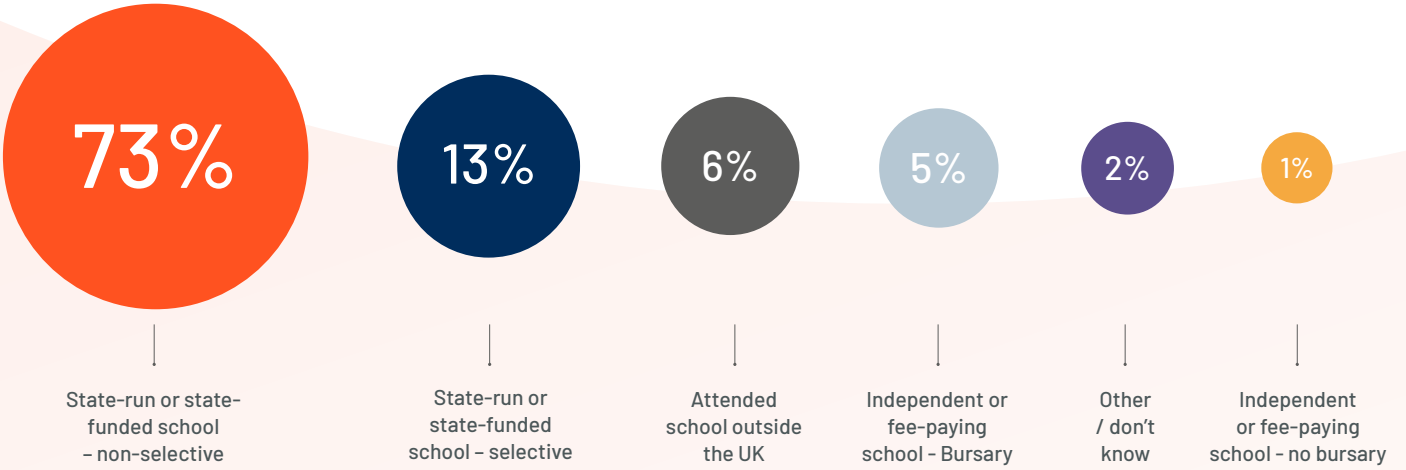
“The CILEX route gives the best possible balance between practical skills and learning the law whilst gaining everyday experience. That’s why we would recommend it to all of our team.”

Ian Hunt, Managing Partner, East Devon Law

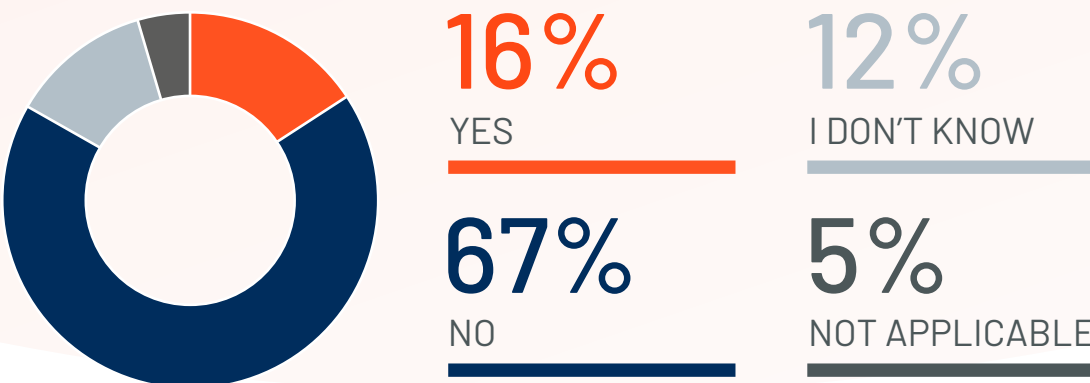


The CILEX route into a career in law is open to everyone with talent and the willingness to work hard and learn; it draws people from a wider social background than other parts of the legal profession. CILEX is unique in that it is open to all and doesn’t require university attendance. 56% of our members did not attend university. Of our members who have attended university over half were the first in their families to do so.

THE MAJORITY OF OUR MEMBERS ATTENDED STATE FUNDED SCHOOLS



MEMBERS IN HOUSEHOLDS RECEIVING FREE SCHOOL MEALS



2022 IN NUMBERS



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 2022



STRATEGIC REPORT

Review of the business

As reported in the prior year, we launched the CILEX Professional Qualification (“CPQ”) in June 2021. This year therefore marked the first full year of the transition between this new qualification framework and its predecessor. Sales of these products were broadly in line with historic levels, although the different revenue recognition adopted for CPQ negatively impacts the amount charged to the income statement for the year with a greater proportion deferred to future years.

Market and economic instability arising from the longer-term effects of the COVID-19 pandemic, war in Ukraine and the cost-of-living crisis in the UK, continue to impact the Group. The resulting changes in buyer behaviour, together with the impact of lower intakes on to education programs during the pandemic are seen in Awarding body revenue and course sales. 2022 also saw a reduction in apprenticeship activities, with limited new intakes on legacy apprenticeship programs due to the imminent launch of a new set of apprenticeship standards that will launch in 2023.

The financial performance of the Group saw a significant adverse effect from a reduction in value of the investment portfolio held at the end of the year. Investment returns over 2022 were heavily impacted by global economic factors. The need to respond to legal challenge from our independent regulator, CILEX Regulation Limited and investigation by the LSB into disputes raised by CRL also heavily impacted on the Income Statement.

Despite the wider economic factors, the Board considered it important to continue to invest in the systems and staff needed to support effective operations, including delivery of CPQ, e-assessment and remote invigilation, the development of new apprenticeship standards and an improved customer journey and website experience. This investment can be seen in the Group’s 2022 expenditure.

CILEX delegates its regulatory functions to its subsidiary company CILEX Regulation Limited (“CRL”) in compliance with the 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 the CILEX Group Directors remain in discussions in respect of the proposed 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, the conclusion of a transition period.

The net deficit for the Group for the year to 31 December 2022 is £2,363,544 (2021: £27,432). 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
12 September 2023



Professor C Bones
Chair

DIRECTORS’ REPORT

The directors present their annual report and financial statements for the year ended 31 December 2022.

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 33.

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
S Lee	C Jepson	J Radford
A MacIver	M Foster	S Grewal
M Huggett	D Olulode	

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 and in addition, that each subsidiary company holds a minimum of two months operating costs in cash as working capital reserves. This is in line with the reserves policy. The group has invested sums in a managed medium to long term investment portfolio in order to protect its cash reserves.

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

Subsequent to the year end, Mercer & Hole LLP were appointed as auditor.

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
12 September 2023



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 2022 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 2022 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.

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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

We have nothing to report in this regard.

INDEPENDENT AUDITOR’S REPORT (CONT.)

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.

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 regulatory requirements of the Legal Services Board, regulations in respect of data protection and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as corporation tax, payroll tax and value-added tax.

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](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

Use of our report

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

12 September 2023

GROUP INCOME STATEMENT

	Notes	2022 £	2021 £
Revenue	3	10,557,056	11,277,893
Cost of sales		(1,456,220)	(2,490,747)
Gross profit		9,100,836	8,787,146
Other operating income		70,933	81,382
Administrative expenses		(10,896,577)	(9,265,288)
Operating loss	4	(1,724,808)	(396,760)
Investment revenues	7	75,121	76,019
Finance costs	8	(35,677)	(29,635)
Other gains and losses	9	(933,856)	696,919
(Loss)/profit before taxation		(2,619,220)	346,543
Income tax income/(expense)	10	255,676	(373,975)
Loss and total comprehensive income for the year		(2,363,544)	(27,432)

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

GROUP STATEMENT OF COMPREHENSIVE INCOME

	2022 £	2021 £
Loss for the year	(2,363,544)	(27,432)
Other comprehensive income:	-	-
Total comprehensive income for the year	(2,363,544)	(27,432)

Total comprehensive income for the year is all attributable to the owners of the parent company.

GROUP STATEMENT OF FINANCIAL POSITION

	Notes	2022 £	2021 £
NON CURRENT ASSETS			
Goodwill	11	222,078	-
Intangible assets	11	1,284,301	1,417,343
Property, plant and equipment	12	2,402,539	2,536,835
Investments	13	6,533,845	7,155,349
		10,442,763	11,109,527
CURRENT ASSETS			
Trade and other receivables	15	2,891,690	2,762,039
Cash and cash equivalents		891,669	1,170,725
		3,783,359	3,932,764
CURRENT LIABILITIES			
Trade and other payables	18	1,091,145	1,263,672
Current tax liabilities		758	98,284
Borrowings	17	1,950,000	700,000
Lease liabilities	19	37,702	35,867
Deferred revenue		3,494,135	2,609,403
		6,573,740	4,707,226
NET CURRENT LIABILITIES		(2,790,381)	(774,462)
NON CURRENT LIABILITIES			
Lease liabilities	19	-	65,713
Deferred tax liabilities		234,394	487,820
		234,394	553,533
NET ASSETS		7,417,988	9,781,532
EQUITY			
Revaluation reserve		443,764	446,521
Fair value reserve		160,942	1,273,181
Retained earnings		6,813,282	8,061,830
TOTAL EQUITY		7,417,988	9,781,532

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 2021	449,279	968,964	8,390,721	9,808,964
Year ended 31 December 2021:				
Loss and total comprehensive income	-	-	(27,432)	(27,432)
Transfer to other reserves	(2,758)	304,217	(301,459)	-
Balance at 31 December 2021	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

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	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash absorbed by/generated from operations	22		(687,318)		277,877
Interest paid			(35,677)		(29,635)
Income taxes (paid)/refunded			(204,548)		133,597
Net cash (outflow)/inflow from operating activities			(927,543)		381,839
Investing activities					
Purchase of unincorporated business		(117,648)		-	
Purchase of intangible assets		(182,748)		(392,624)	
Purchase of property, plant and equipment		(4,431)		(42,561)	
Proceeds from disposal of property, plant and equipment		-		40,144	
Purchase of investments		(2,046,244)		(857,738)	
Proceeds from disposal of investments		1,738,315		1,104,899	
Interest received		46		1,529	
Dividends received		75,075		74,490	
Net cash used in investing activities			(537,635)		(71,861)
Financing activities					
Proceeds of bank loans		1,250,000		250,000	
Payment of lease liabilities		(63,878)		(107,976)	
Net cash generated from financing activities			1,186,122		142,024
Net (decrease)/increase in cash and cash equivalents			(279,056)		452,002
Cash and cash equivalents at beginning of year			1,170,725		718,723
Cash and cash equivalents at end of year			891,669		1,170,725

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Company information

The Chartered Institute of Legal Executives is a body incorporated by Royal Charter 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 Chartered Institute of Legal Executives is a non-statutory entity by virtue of its incorporation by Royal Charter. While non-statutory entities are not legally mandated to adhere to specific accounting standards, the directors recognise the advantages associated with adopting International Financial Reporting Standards (IFRS). Consequently, 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, unless 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.

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 2022. 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
- CILEX Professional Qualification (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 recognised when the examinations to which they relate take place.

Distance learning

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

CILEX Professional Qualification (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.

Agency commission

Agency commission income is recognised on an arising basis in line with the agreements in place with the principal.

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.

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 asset within the intangible fixed assets note now that development is complete and the commercial sensitivity reduced.

Intangible assets are stated at cost or fair value on recognitition less accumulated amortisation and any

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

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 25-33% 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 recognised 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 (eg 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 terminate the employment of an employee or to provide 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.

Recognition of CPQ revenue

Revenue in respect of the CPQ Law School product is recognised to reflect a higher proportion of upfront value as a higher proportion of delivery is received immediately. Consequently, products with a longer delivery timeline recognise 45% of the total value upfront with the remaining 55% recognised over the study period.

The uncertainty included in this estimate is that if the actual delivery timeline of the product differs to the estimate, this could result in revenue being recognised disproportionately. As is standard practice for newly introduced products, adjustments are made as and when data is available when allows the directors to recognise product delivery as accurately as possible.

3. REVENUE

	2022 £	2021 £
Revenue analysed by class of business		
Membership	4,270,417	4,299,849
Awarding Body	1,853,123	1,959,947
Education	3,977,139	4,611,144
Other	456,377	406,953
	10,557,056	11,277,893

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):	2022 £	2021 £
Auditor’s remuneration	57,500	38,551
Depreciation of property, plant and equipment	139,146	246,418
Amortisation of intangible assets	315,790	250,898

5. EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the year was:	2022 Number	2021 Number
	164	142
Their aggregate remuneration comprised:		
	2022 £	2021 £
Wages and salaries	5,607,780	5,447,049
Social security costs	545,678	481,217
Pension costs	613,827	588,205
	6,767,285	6,516,471

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

6. KEY MANAGEMENT COMPENSATION

	2022 £	2021 £
Wages and salaries	417,082	351,779
Social security costs	55,080	33,486
Company pension contributions to defined contribution schemes	49,133	44,628
	521,295	429,893

7. INVESTMENT INCOME

	2022 £	2021 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	46	1,529
Other income		
Dividends received from equity investments designated as fair value through profit or loss	75,075	74,490
	75,121	76,019

8. FINANCE COSTS

	2022 £	2021 £
Interest on lease liabilities	7,369	28,254
Other interest payable	28,308	1,381
Total interest expense	35,677	29,635

NOTES TO THE GROUP FINANCIAL STATEMENTS
(CONTINUED)

9. OTHER GAINS AND LOSSES

	2022 £	2021 £
Gain on disposal of fixed asset investments	178,383	89,291
Other gains and losses	(1,112,239)	607,628
	(933,856)	696,919

10. INCOME TAX EXPENSE

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(2,250)	97,081
Deferred tax		
Origination and reversal of temporary differences	(253,426)	276,894
Total tax charge/(credit)	(255,676)	373,975
The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:		
(Loss)/profit before taxation	(2,619,220)	346,543
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2021: 19.00%)	(497,652)	65,843
Effect of expenses not deductible in determining taxable profit	1,232,807	1,047,132
Income not taxable	(860,204)	(1,047,604)
Adjustment in respect of prior years	2,072	-
Other permanent differences	21	480
Under/(over) provided in prior years	(65,420)	93,982
Foreign exchange differences	7,745	-
Exempt ABGH distributions	(7,616)	(5,762)
Chargeable gains/(losses)	(82,279)	133,230
Remeasurement of deferred tax for changes in tax rates	(51,571)	98,886
Losses carried back	30,624	(30,624)
Fixed asset differences	(253)	22,267
Movement in deferred tax not recognised	36,050	(3,855)
Taxation (credit)/charge for the year	(255,676)	373,975

NOTES TO THE GROUP FINANCIAL STATEMENTS
(CONTINUED)

11. INTANGIBLE ASSETS

	Goodwill £	Software £	Qualifications £	Total £
Cost				
At 1 January 2021	-	887,865	1,374,474	2,262,339
Additions	-	36,251	356,373	392,624
At 31 December 2021	-	924,116	1,730,847	2,654,963
Additions - purchased	222,078	37,372	145,376	404,826
At 31 December 2022	222,078	961,488	1,876,223	3,059,789
Amortisation and impairment				
At 1 January 2021	-	566,144	420,578	986,722
Charge for the year	-	138,466	112,432	250,898
At 31 December 2021	-	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
Carrying amount				
At 31 December 2022	222,078	73,623	1,210,678	1,506,379
At 31 December 2021	-	219,506	1,197,837	1,417,343

Goodwill has arisen as a result of an acquisition in subsidiaries during the year. Further details can be found in note 21.
The acquisition was made close to year end and hence there has been no amortisation charge on the Goodwill during the 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	2,383,658	832,197	301,777	345,430	3,863,062
Additions	-	-	42,561	-	42,561
Disposals	-	-	-	(54,848)	(54,848)
At 31 December 2021	2,383,658	832,197	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	2,383,658	832,197	349,502	279,275	3,844,632
Accumulated depreciation and impairment					
At 1 January 2021	59,613	636,563	218,110	167,940	1,731,061
Charge for the year	29,275	103,263	59,861	54,018	240,210
Eliminated on disposal	-	-	-	(14,704)	(14,704)
At 31 December 2021	88,888	739,826	277,971	207,254	1,313,940
Charge for the 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	310,836	249,251	1,442,093
Carrying amount					
At 31 December 2022	2,269,658	64,192	38,665	30,024	2,402,539
At 31 December 2021	2,294,769	92,371	66,367	83,328	2,536,835

13. INVESTMENTS

	2022 £	Current 2021 £	2022 £	Non-current 2021 £
Other investments	-	-	6,533,845	7,155,349

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)

Movements in non-current investments

	Investments £
Cost or valuation	
At 1 January 2022	7,155,349
Additions	2,046,244
Disposals	(1,738,315)
Realised gain on disposal	178,388
Unrealised loss on changes in market value	(1,112,244)
Movement in accrued interest	4,423
At 31 December 2022	6,533,845
Carrying amount	
At 31 December 2022	6,533,845
At 31 December 2021	7,155,349

14. SUBSIDIARIES

Details of the company's subsidiaries at 31 December 2022 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. TRADE AND OTHER RECEIVABLES

	2022 £	2021 £
Trade receivables	2,698,122	2,323,379
Provision for bad and doubtful debts	(368,505)	(247,515)
	2,329,617	2,075,864
VAT recoverable	2,260	-
Other receivables	150,515	230,016
Prepayments and accrued income	409,298	456,159
	2,891,690	2,762,039

16. TRADE RECEIVABLES - CREDIT RISK

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables differs from fair value as follows:

	Carrying value		Fair value	
	2022 £	2021 £	2022 £	2021 £
Trade receivables net of allowances	2,329,617	2,075,864	-	-
Other receivables	150,515	230,016	-	-
Prepayments and accrued income	409,298	456,159	-	-
	2,889,430	2,762,039	-	-

No significant receivable balances are impaired at the reporting end date.

Movement in the allowances for doubtful debts

	2022 £
Balance at 1 January 2022	349,178
Additional allowance recognised	43,086
Amounts written off as uncollectible	(23,759)
Balance at 31 December 2022	368,505

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

17. BORROWINGS

	2022 £	2021 £
Borrowings held at amortised cost:		
Bank loans	1,950,000	700,000

At 31 December 2022 £1,950,000 (2021: £700,000) 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%).

18. TRADE AND OTHER PAYABLES

	2022 £	2021 £
Trade payables	331,971	62,965
Accruals	506,827	625,289
Social security and other taxation	159,089	411,172
Other payables	93,258	164,246
	1,091,145	1,263,672

19. 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:

	2022 £	2021 £
Current liabilities	37,702	35,867
Non-current liabilities	-	65,713
	37,702	101,580
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	7,369	28,254

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

20. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes

	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	613,827	588,205

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)

21. ACQUISITIONS OF A BUSINESS

On 21 December 2022 the group acquired 100 percent control of Institute of Paralegals.

	Book Value £	Adjustments £	Fair Value £
Net assets of business acquired			
Intangible assets	493	-	493
Property, plant and equipment	733	-	733
Trade and other receivables	5,945	-	5,945
Cash and cash equivalents	1,406	-	1,406
Trade and other payables	(63,938)	-	(63,938)
Total identifiable net assets	(55,361)	-	(55,361)
Non-controlling interests			-
Goodwill			180,361
Total consideration			125,000
The consideration was satisfied by:			£
Cash			100,000
Deferred consideration			25,000
			125,000
Net cash outflow arising on acquisition			£
Cash consideration			100,000
Less: Cash and cash equivalents acquired			(1,406)
			98,594

There was no trade within the acquired business between the date of acquisition and the balance sheet date.
As such contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition is nil.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

ACQUISITIONS OF A BUSINESS (CONT)

On 21 December 2022 the group acquired 100 percent control of Professional Paralegal Register.

	Book Value £	Adjustments £	Fair Value £
Net assets of business acquired			
Trade and other receivables	34	-	34
Cash and cash equivalents	946	-	946
Trade and other payables	(17,697)	-	(17,697)
Total identifiable net assets	(16,717)	-	(16,717)
Non-controlling interests			-
Goodwill			41,717
Total consideration			25,000
The consideration was satisfied by:			£
Cash			20,000
Deferred consideration			5,000
			25,000
Net cash outflow arising on acquisition			£
Cash consideration			20,000
Less: Cash and cash equivalents acquired			(946)
			19,054

There was no trade within the acquired business between the date of acquisition and the balance sheet date. As such contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition is nil.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

22. CASH (ABSORBED BY)/GENERATED FROM OPERATIONS

	2022 £	2021 £
(Loss)/profit for the year before income tax	(2,619,220)	346,543
Adjustments for:		
Finance costs	35,677	29,635
Investment income	(75,121)	(76,019)
Amortisation and impairment of intangible assets	315,790	250,898
Depreciation and impairment of property, plant and equipment	139,146	240,210
Gain on sale of investments	(178,383)	(89,291)
Other gains and losses	1,112,239	(607,628)
Movements in working capital:		
Increase in trade and other receivables	(129,651)	(853,631)
(Decrease)/increase in trade and other payables	(172,527)	84,616
Increase in deferred revenue outstanding	884,732	952,544
Cash (absorbed by)/generated from operations	(687,318)	277,877

COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2022 £	2021 £
NON CURRENT ASSETS			
Intangible assets	24	1,283,807	1,417,343
Property, plant and equipment	25	2,396,096	2,532,033
Investments	26	7,304,242	7,775,746
		10,984,145	11,725,122
CURRENT ASSETS			
Trade and other receivables	27	2,849,123	2,671,426
Cash and cash equivalents		472,751	778,905
		3,321,874	3,450,331
CURRENT LIABILITIES			
Trade and other payables	29	2,848,955	3,304,416
Current tax liabilities		-	82,780
Borrowings	28	1,950,000	700,000
Lease liabilities	30	37,702	35,867
Deferred revenue		3,391,388	2,601,453
		8,228,045	6,724,516
NET CURRENT LIABILITIES		(4,906,171)	(3,274,185)
NON CURRENT LIABILITIES			
Lease liabilities	30	-	65,713
Deferred tax liabilities		234,394	486,619
		234,394	552,332
NET ASSETS		5,843,580	7,898,605
EQUITY			
Revaluation reserve		443,764	446,521
Fair value reserve		160,942	1,273,181
Retained earnings		5,238,874	6,178,903
TOTAL EQUITY		5,843,580	7,898,605

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 £2,055,025 (2021 - £320,167 loss).

COMPANY STATEMENT OF FINANCIAL POSITION
(CONTINUED)

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)

COMPANY STATEMENT OF CHANGES IN EQUITY

	Revaluation reserve £	Fair value reserve £	Retained earnings £	Total £
Balance at 1 January 2021	449,279	968,964	6,800,529	8,218,772
Year ended 31 December 2021:				
Loss and total comprehensive income	-	-	(320,167)	(320,167)
Transfer to other reserves	(2,758)	304,217	(301,459)	-
Balance at 31 December 2021	446,521	1,273,181	6,178,903	7,898,605
Year ended 31 December 2022:				
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

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS

23. EMPLOYEES

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

	2022 Number	2021 Number
Total	137	116
Their aggregate remuneration comprised:		
	2022 £	2021 £
Wages and salaries	4,553,795	4,596,510
Social security costs	438,855	411,751
Pension costs	517,818	489,221
	5,510,468	5,497,482

NOTES TO THE COMPANY FINANCIAL STATEMENTS
(CONTINUED)

24. INTANGIBLE ASSETS

	Software £	Qualifications £	Total £
Cost			
At 1 January 2021	887,865	1,374,474	2,262,339
Additions	36,251	356,373	392,624
At 31 December 2021	924,116	1,730,847	2,654,963
Additions - purchased	36,878	145,376	182,254
At 31 December 2022	960,994	1,876,223	2,837,217
Amortisation and impairment			
At 1 January 2021	566,144	420,578	986,722
Charge for the year	138,466	112,432	250,898
At 31 December 2021	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
Carrying amount			
At 31 December 2022	73,129	1,210,678	1,283,807
At 31 December 2021	219,506	1,197,837	1,417,343

NOTES TO THE COMPANY FINANCIAL STATEMENTS
(CONTINUED)

25. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Fixtures and fittings	Computers	Right of use assets	Total
	£	£	£	£	£
Cost					
At 1 January 2021	2,383,658	832,197	280,146	345,430	3,841,431
Additions	-	-	39,136	-	39,136
Disposals	-	-	-	(54,848)	(54,848)
At 31 December 2021	2,383,658	832,197	319,282	290,582	3,825,719
Disposals	-	-	-	(11,307)	(11,307)
At 31 December 2022	2,383,658	832,197	319,282	279,275	3,814,412
Accumulated depreciation and impairment					
At 1 January 2021	59,613	636,563	204,063	167,940	1,068,180
Charge for the year	29,275	103,263	53,654	54,018	240,210
Eliminated on disposal	-	-	-	(14,704)	(14,704)
At 31 December 2021	88,888	739,826	257,717	207,254	1,293,686
Charge for the 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
Carrying amount					
At 31 December 2022	2,269,658	64,192	32,222	30,024	2,396,096
At 31 December 2021	2,294,769	92,371	61,565	83,328	2,532,033

NOTES TO THE COMPANY FINANCIAL STATEMENTS
(CONTINUED)

26. INVESTMENTS

	Current 2022 £	2021 £	Non-current 2022 £	2021 £
Investments in subsidiaries	-	-	770,397	620,397
Other investments	-	-	6,533,845	7,155,349
	-	-	7,304,242	7,775,746

Investment in subsidiary undertakings
Details of the company’s principal operating subsidiaries are included in note 14.

27. TRADE AND OTHER RECEIVABLES

	2022 £	2021 £
Trade receivables	2,566,606	2,236,452
Provision for bad and doubtful debts	(247,814)	(206,363)
	2,318,792	2,030,089
VAT recoverable	2,260	-
Amounts owed by fellow group undertakings	2,503	-
Other receivables	150,515	217,644
Prepayments and accrued income	375,053	423,693
	2,849,123	2,671,426

28. BORROWINGS

	2022 £	2021 £
Borrowings held at amortised cost:		
Bank loans	1,950,000	700,000

At 31 December 2022 £1,950,000 (2021: £700,000) 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 COMPANY FINANCIAL STATEMENTS (CONTINUED)

29. TRADE AND OTHER PAYABLES

	2022 £	2021 £
Trade payables	313,415	19,261
Amounts owed to fellow group undertakings	1,844,704	2,152,002
Accruals	441,345	570,347
Social security and other taxation	158,363	411,172
Other payables	91,128	151,634
	2,848,955	3,304,416

30. 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:

	2022 £	2021 £
Current liabilities	37,702	35,867
Non-current liabilities	-	65,713
	37,702	101,580



“I would say it’s a great investment in your staff. It helps you to have staff who are working for you at the same time as learning alongside you. Guidance from you, input from them, and together you make a great team through that route.”

David Cobern, The Family Law Company

THE CILEX FOUNDATION

—

TRUSTEES' REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022



COMPANY INFORMATION

TRUSTEES

The following Trustees held office during the year to 31 December 2022 and up to the date of this report:-

His Hon Judge Marc David Dight

Angus Duncan MacIver

Doris Harriette Olulode (resigned 13 May 2022)

Ian David Hunt

Thomas John Edward Morgan

Emma Davies (appointed 20 July 2022)

CHARITY NUMBER

1185862

REGISTERED OFFICE AND OPERATIONAL ADDRESS

Kempston Manor
Manor Drive
Kempston
Bedford
MK42 7AB

INDEPENDENT EXAMINERS:

Michaelides Warner & co
Fulham Palace Road
W6 9PL



“I would highly recommend CILEX as a route to qualification for any students who are thinking of continuing to work full-time but also wanting to study flexibly or maybe work around other commitments.”

Donna Carr, Paralegal, Royal Institute of Chartered Surveyors



REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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 8 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 £14k made under the CILEX Welfare and Support Programme, supporting members who are experiencing unexpected hardship

TRUSTEE AND DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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.

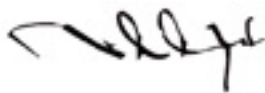
PRINCIPAL ACTIVITY

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 23rd August 2023 and signed on its behalf.



His Hon Judge Marc David Dight

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, which are set out on pages 5 to 9 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.



Pavithra Sri Hari ACCA
For and on behalf of
MICHAELIDES WARNER & CO

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted	Restricted	Year ended 31.12.2022 TOTAL	Year ended 31.12.2022 TOTAL
		£	£	£	£
Incoming resources					
Income from Donations	Note 3	66	183,672	183,738	253,333
Total incoming resources		66	183,672	183,738	253,333
Resources expended					
Salary Costs	Note 4	-	27,491	27,491	28,557
Grants Made	Note 4	-	138,475	138,475	33,488
Other Admin Costs	Note 4	2,602	-	2,602	7,028
Total resources expended		2,602	165,966	168,568	69,073
Net incoming resources		(2,536)	17,706	15,170	184,260
Transfer between funds		32,095	(32,095)	-	-
Net movement in funds		29,559	(14,389)	15,170	184,260
Reconciliation of funds					
Total funds, Brought forward		7,466	222,909	230,375	46,115
Total funds, Carried forward		37,025	208,520	245,545	230,375

BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	Year ended 31.12.2022 £	Year ended 31.12.2021 £
CURRENT ASSETS			
Debtors	Note 7	1,198	100,427
Cash at Bank and in Hand		256,808	190,183
		258,006	290,610
CREDITORS			
Amounts falling due within 1 year	Note 8	(12,460)	(60,235)
NET CURRENT ASSETS		245,546	230,375
NET ASSETS		245,546	230,375
FUNDS OF THE CHARITY			
Restricted Funds		208,521	187,727
General Reserve Fund		37,025	42,648
TOTAL FUNDS		245,546	230,375

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 23rd August 2023.

His Hon Judge Marc David Dight
Director

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

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.

3. ANALYSIS OF INCOMING RESOURCES

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Donations	66	183,672	183,738	139,802
	66	183,672	183,738	139,802

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

4. ANALYSIS OF RESOURCES EXPENDED

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Direct Costs				
Salary costs	-	27,491	27,491	28,557
Grants and student fees	-	138,475	138,475	33,488
	-	165,966	165,966	62,045
Support Costs				
Administration costs	2,602	-	2,602	7,028
	2,602	-	2,602	7,028

5. DETAILS OF CERTAIN ITEMS OF EXPENDITURE

	2022 £	2021 £
5.1 Trustee expenses	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

6. STAFF COSTS

	2022 £	2021 £
Gross salaries	25,125	24,422
Employer's National Insurance costs	-	-
Pension costs	-	-
Total staff costs	25,125	24,422

7. DEBTORS AND PREPAYMENTS

	2022 £	2021 £
<i>Amounts falling due within one year</i>		
Prepayments and accrued income	-	100,427
Total	-	100,427

8. CREDITORS AND ACCRUALS

	2022 £	2021 £
<i>Amounts falling due within one year</i>		
Other creditors	-	43,431
Accruals and Deferred Income	12,460	-
Total	12,460	43,431

“You’re going through exactly what you’re studying in a day-to-day role so not only was I able to expand my legal knowledge for the purposes of my exams, but it also helped my day job. I’d already studied my specialism, so I knew exactly what I was doing.”

CILEX member



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