



CILEX ANNUAL REVIEW 2021

CILEX (The Chartered Institute of Legal Executives)

Company Registration No. RC000850

ANNUAL REVIEW 2021

“The opportunities that you can get qualifying as a CILEX Lawyer are pretty much the same these days as you can as a Solicitor. So I would say it’s really important when you’re coming out of school with A Levels to weigh up the options and CILEX might be right for you.”

CILEX 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

C Tickner

M Foster

D Olulode

J Dosanjh-Elton

J Radford

S Grewal

REGISTERED OFFICE

Kempston Manor

Kempston

Bedford

MK42 7AB

INDEPENDENT AUDITOR

Haysmacintyre LLP

10 Queen Street Place

London

EC4R 1AG

"I chose the CILEX route rather than the LPC route due to the freedom you get with choosing the units, choosing your timescales. You can work full time alongside CILEX so you can fit it in around your life rather than having to do it the old-fashioned route."

Carrie Clewes, FCILEX

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.

CHAIR'S REPORT

The major achievements in 2021 saw the conclusion of our first three-year strategy period and the development of a framework which defines our strategic goals for the period 2022 – 2024.

Our 2019–2021 strategy laid out five key goals:

- Transformation of our qualification, in particular, to remove the 2-stage requirement to qualify as a lawyer
- Transformation of our broader educational offer to encompass a higher education route to qualification, the development of new qualifications that met future needs (e.g., in legal technology) and to support member personal and career development
- Support current CLEs without practice rights to gain these through a reformed approach that better suited their working lives
- To change the under-funding of CILEX apprenticeships and align them to the new qualification
- To address and find solutions to the remaining legal and regulatory barriers that constrain CILEX Lawyers from playing a full role in the justice system.

In 2021 we made significant progress against all of these goals:

- We launched a unified professional qualification, the CILEX Professional Qualification (CPQ), that delivers authorised specialist lawyers at point of award. From the beginning of 2022 people enrolling for CPQ can now achieve authorised practitioner status without facing any additional hurdles.
- We have initiated work on a qualification in legal technology having held discussions with the Employer Group to ensure alignment to any new Apprenticeship Standard.
- We gained agreement from our regulator, CILEX Regulation Limited (CRL), for a revised approach to the awarding of Practice Rights and launched a pilot programme to test this.
- We initiated discussions with the Institute for Apprenticeships and ESFA with the aim of resolving the funding disparity for legal Apprenticeships and to align the Paralegal and CLE Apprenticeship standards to the stages of our new CPQ.
- We continued our active engagement with government and other key stakeholders on the key barriers to full participation and gained public government commitments to address a number of the key changes on which we have been campaigning.



The approval of the CPQ marks the moment where CILEX can clearly and unequivocally state that those who achieve their full CPQ qualification are fully equivalent with other legal practitioners, specialist or generalist. Getting here was a monumental undertaking. Since 2018 we have invested £1.2m in product development, market research, material development, systems and sales and marketing. The project touched just about every part of the organisation and required a significant amount of interaction with regulators in both legal services and education.

Early reaction from government, regulators, employers and potential students has been positive and we are confident that in 2022 we will see growth in our student numbers as a result.

We met government ministers, opposition spokespeople and other interested parliamentarians during the year to continue to engage them in the public benefits that will arise from removing the final barriers to our members participating fully in the justice system. We have made progress and right at the tail end of the year the Deputy Prime Minister outlined in a public communication three areas where government is minded to take action, all of which will see a direct benefit to members:

- Enabling CILEX Advocates to apply to be Crown Prosecutors and not be limited to Associate Prosecutor roles unless they cross qualify to become solicitors.
- Granting of higher rights of audience to CILEX Lawyers
- Permitting direct applications to higher tier tribunal positions in the judiciary

We believe that we will see progress on these and the other two issues we have been raising (certification of copies of Powers of Attorney and access to Duty Solicitor roles) in 2022.

The murder of George Floyd and the resultant 'Black Lives Matter' movement resonated strongly in CILEX. 18% of our members come from black and other ethnic minorities. We knew from listening to them that their experience in work was often adversely different from colleagues who were white. In addition, we were also aware that many such communities face structural disadvantage in terms of access to quality education which in turn makes it more difficult for them to enter professional careers. We took three decisions in the months that followed George Floyd's murder and the passionate reactions around the world and in the UK:

- The CILEX Foundation launched a scholarship programme aimed specifically at those who are excluded in some way or disadvantaged such that they would find it difficult to become a professional without support. This programme offers support to become a CILEX Lawyer through the CILEX Law School (CLS). We were delighted that Millicent Grant QC (Hon) our first black president agreed to have this programme named after her. The first awards were made in 2020 to nine young people all of whom are from socially disadvantaged backgrounds. Eight are female and four are from minority ethnic communities and we look forward to following their progress over the coming years
- The CILEX Board agreed to fund the foundation further to support both this programme and a wide range of scholarships and bursaries to study at CLS through allocating 5% of our revenue from sales of the CPQ every year.
- The CILEX Board also launched an annual survey of the experience of our members at work. We did this to create an indisputable evidence base about the treatment of our members and by asking them to share their demographic details, to highlight not just the general disadvantage that we so often face in the workplace, but the specific, and often worse experiences, of our female members and of

Early reaction from government, regulators, employers and potential students has been positive and we are confident that in 2022 we will see growth in our student numbers as a result.

those from black and other ethnic minority communities.

The result of the members survey made for uncomfortable reading, but also for the first time has provided the evidence we need to start the challenging task of tackling the employment experience of all our members. The headlines were shared with government, the opposition, regulators and the other professional bodies. The focus of this initial engagement was to find common ground and to create a conversation about the need to change the culture in many legal workplaces.

We have found significant support amongst key stakeholders for working together to try and change experiences in the workplace for the better. That said, for CILEX members in particular, there are behaviours that directly discriminate against them that other professions do not face – particularly when it comes to paying for professional membership subscriptions, paying for examinations to qualify and giving time off for study. 2022 will see us re-run the survey and launch a major campaign to engage employers and encourage them to change how

they treat their CILEX staff.


Your voice has also helped us create our strategic framework for the next three years. Our goals informed by the survey are:

- **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

Behind this sits a significant canon of work on your behalf and in commending these results to you I should remind you that these outcomes were delivered in the context of the continuing COVID 19 pandemic by an organisation that is working fully remotely. I can only thank CEO Linda Ford, her executive team and all of our employees for their hard work and dedication. Without them we would not be in the very positive position we are today.



Professor Chris Bones
Chair



—
“CILEX was the most cost effective option compared to qualifying through traditional routes, it also meant that I could work alongside studying which was the decider for going down this route.”

CILEX member

CEO REPORT

2021 – a year that started with optimism that the pandemic was behind us turned out to be a period of increased market uncertainty, economic downturn and a health crisis that would test the resilience of our workforce more than ever before.

Despite this backdrop, it has been a year in which we have been able to realise the investment made in our education provision, the benefits of our simplified organisational structure, our digital infrastructure and our enhanced public affairs capabilities.

Our biggest achievement in 2021 has been full implementation of our CILEX Professional Qualification (CPQ). The CPQ establishes the CILEX route into law as an unrivalled competency-based qualification that blends legal knowledge, skills and work experience with legal technology, business and emotional intelligence. Its accessibility, flexibility and affordability together with its integrated approach to the gaining of practice rights has already attracted an initial cohort of 325 new students this year to select CILEX as their route to qualify as Paralegals and CILEX Lawyers.

The three stages of CPQ (Foundation, Advanced and Professional) aligned to our revised membership structure offers clearer career progression from Paralegal, through to Advanced Paralegal case handler and once fully qualified authorisation as a CILEX Lawyer.

For existing learners, we have developed transitional pathways that enable conversion to CPQ. For Fellows we have worked with CILEX Regulation to pilot a top-up programme to obtain practice rights through an assessment of competence. From Spring 2022 all Fellows will have access to the opportunity to gain practice rights and achieve full parity of status with Solicitors in your specialism.

Launched this year, our fully funded scholarships offer a unique opportunity for those from socially disadvantaged or under-represented backgrounds and without the support of a sponsoring employer, to access CPQ. The CILEX Charitable Foundation awarded the first batch of scholarships to nine recipients this year. The Foundation also supported members with bursary funding for Level 3 and 6 qualifications and professional development programmes and made hardship awards to those who experienced financial difficulties arising from Covid 19.



The pandemic was not however the only factor that has seen our members struggle this past year. Workplace culture and discriminatory behaviour continues to be a key concern for CILEX. Our 2021 member survey focused on barriers and behaviour CILEX members experience in the workplace. 2,881 CILEX members responded and the results evidenced that CILEX Lawyers experience discrimination at work on the basis of their education background, gender, ethnicity and social demographic.

Almost half of ethnic minority respondents (47%) reported having suffered discrimination in their careers. 82% stated that they believe justice is losing out because of discrimination against them with just 34% of ethnic minority CILEX lawyers and 49% of White ones believing their employers seek to promote people from diverse backgrounds into leadership positions. The vast majority of respondents reported that despite their being better qualified and more experienced, CILEX Lawyers were passed over for promotion and 70% reported being paid less than others for doing exactly the same work.

The insight gained from the survey, has led us to establish 'Make Work Better' as one of four key pillars in latest strategic plan and to increase our efforts to bring key stakeholders across the sector together to tackle the issues.

Demonstrating the credibility of CPQ as an alternative to the General Qualification held by Solicitors and Barristers is critical to both challenging outdated attitudes and tackling prejudices but also to our Campaign for Change. Our education and policy teams have undertaken extensive mapping exercises to verify the equivalence of our route and this has been key to the progress we have made in persuading government and stakeholders to make the legislative reforms required to address the remaining anomalies where CILEX Lawyers are not afforded the same opportunities as Solicitors.

Through our public affairs work we have highlighted to government that, as the most diverse branch of the legal profession, CILEX is able to supply a pipeline of lawyers from all backgrounds who can support the future delivery of legal services. The results of the first CPQ examination session which saw an overall pass rate of 61% evidenced no significant difference between the performance of male or female candidates or those from minority ethnic backgrounds compared to white candidates, cementing the CPQ as a ready-made solution to opening up the legal profession to become more diverse and representative of the society it serves.

Through our continued work with the Judicial Diversity Forum and by increasing the number of places on our Judicial Development Programme (JDP) we have been able to provide more members with information, support, training, mentoring

and encouragement when preparing to make their application for a judicial appointment. In 2021, following their participation in the JDP, Elizabeth Johnson became the first CILEX lawyer to be appointed to a full-time salaried position and Graham King and Daniel Wright became the first CILEX lawyers to be appointed as a fee-paid Judges of the Employment Tribunal. They join 19 other CILEX qualified judges.

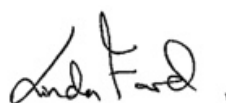
Alongside our efforts to increase the support we offer our members in their career development, we have enhanced our entry level education provision by joining forces with Pearson to deliver a Legal Services T Level, aimed at 16- to 19-year-olds. Work has started to develop the T Level programme which will be available from next year. We are also working with key stakeholders including the Institute for Apprenticeship and Technical Education and the Education and Skills Funding Agency to update the standards and to review the funding levels available for Paralegal and Chartered Legal Executive Apprenticeships. This work, led by David Cameron, who joined my leadership team as Director of Education in August will continue into 2022.

My Executive team was further strengthened this year by the appointment of Stella Atherstone as Chief Financial Officer. In 2021 Stella led the first phase of our estates strategy, overseeing our move out of our Kempston offices as part of our continued operation as a remote workforce and digital business.

David and Stella join a CILEX staff team who are dedicated, passionate and unwavering in their commitment to our mission to 'transform the legal profession by educating, developing and supporting our members to deliver high quality legal services'.

Our operational teams have worked tirelessly over this year to answer over 30,000 calls and 11,500 social media messages. Our education team has supported 5921 learners, 654 apprentices and delivered 6545 online exams. Our policy team has responded to dozens of consultations and engaged with 1891 members through our Special Reference Groups.

It is thanks to the incredible hard work of my staff team, supported by our Board that we have been able to make such significant progress in meeting our strategic goals, to embrace new ways of working and deliver positive changes to the standing of and career opportunities open to CILEX members. 2022 offers us further opportunity to maintain this momentum and apply increased focused on our priorities through our new strategic plan.



Linda Ford
Chief Executive Officer

REPORT FROM THE CHAIR OF THE APPOINTMENT AND SCRUTINY COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2021

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 the Board acts effectively in fulfilling its duties and that the correct governance structure is in place.

The committee met twice in 2021 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 progress made in 2021, particularly in respect of the development of the strategy, public affairs campaign and successful launch of the new Professional Qualification, all of which positively impact the standing and status of CILEX members recognising their equivalence to Solicitors and widening the career opportunities available.

The 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, represents 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.

Having reviewed the outcomes of the Board member annual performance reviews, the committee approved the re-appointment of three Non-Executive Board members in 2021. It also considered the succession plan for Board appointments for the next 3 years and welcomed plans to undertake a Board Effectiveness Review in 2022.

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.



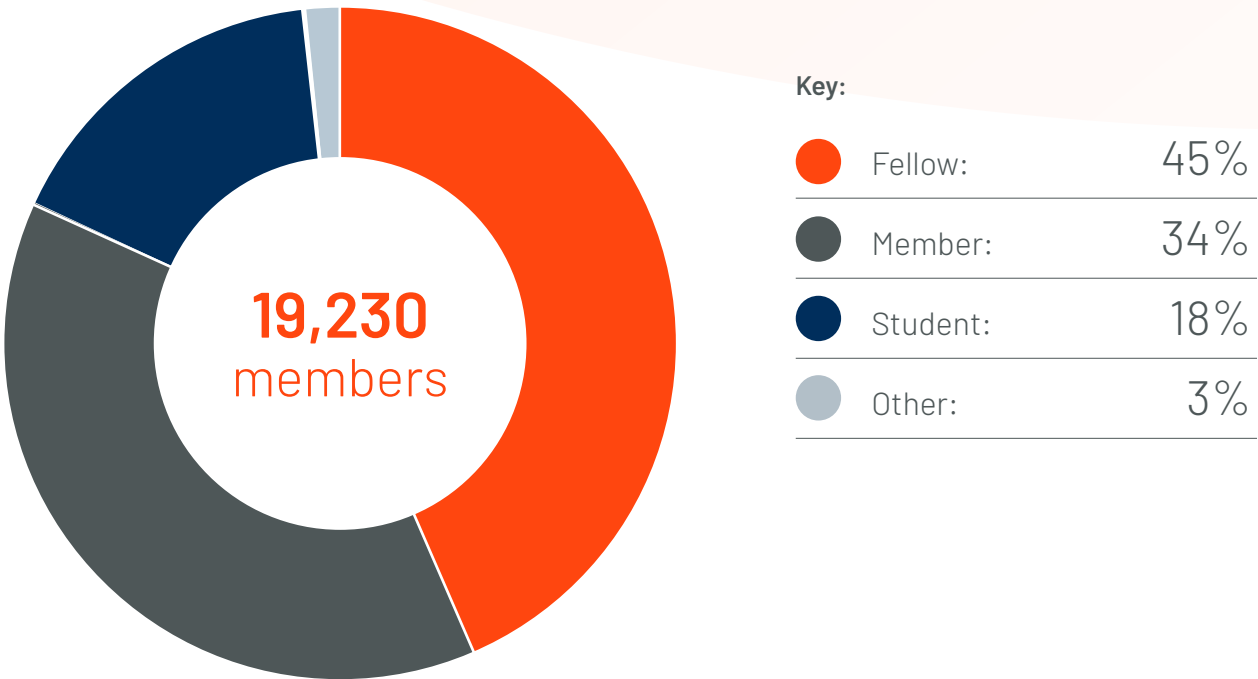
Phillip Sherwood FCILEx
(Past President 2018-19)
Chair of Appointment and
Scrutiny Committee



OUR MEMBERSHIP IN NUMBERS

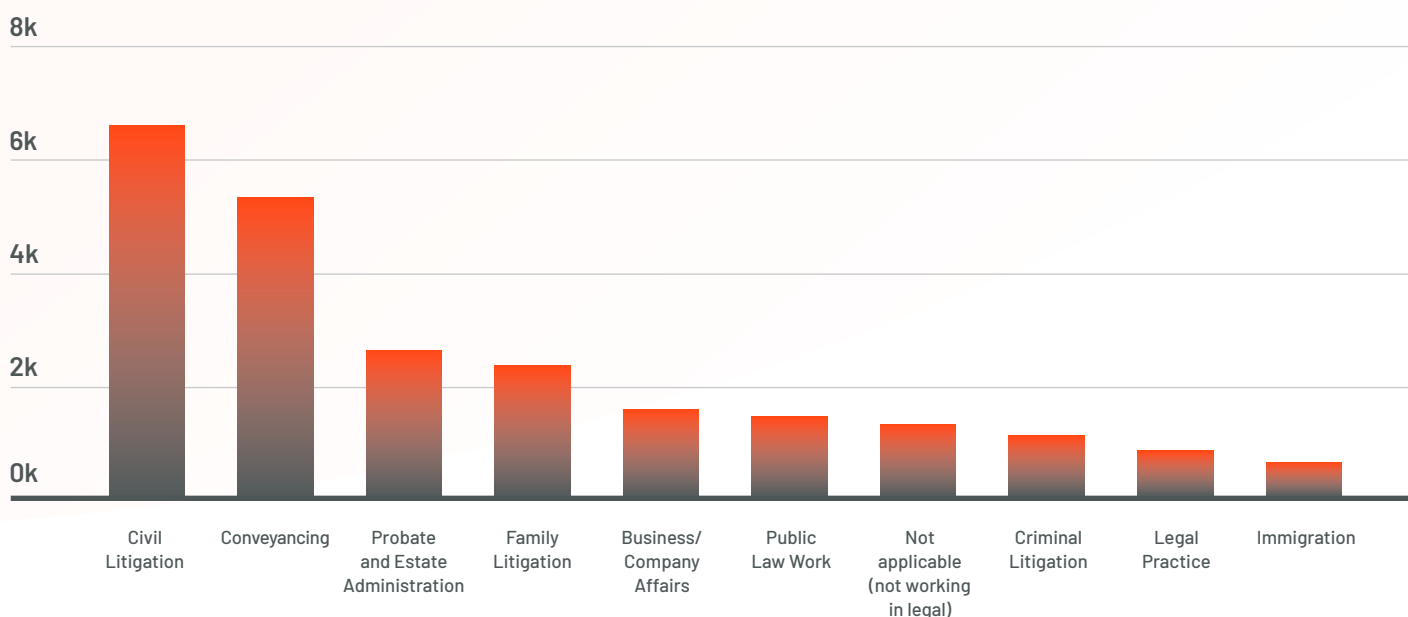
For over **50 years** CILEX has been committed to broadening access to the legal profession by providing training and support for our members. With over **19,000 members**, the career progression and personal development of our members has never been more important to us.

MEMBERSHIP OF THE INSTITUTE



TOP 10 SPECIALISMS

In 2021, CILEX welcomed 660 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 27 CILEX Practitioners and 5 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



27 CILEX Practitioners



5 CILEX Advocates

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 75% of our members are women, and around 18% of all our members are from Black, Asian or Minority Ethnic groups.



75%
WOMEN



23%
MEN



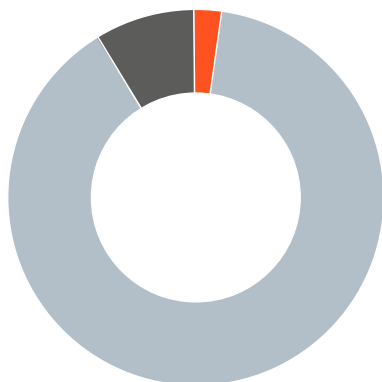
18%
MINORITY GROUPS

1% prefer not to say

4.5% OF OUR MEMBERS CONSIDER THEMSELVES TO HAVE A DISABILITY

3% OF OUR MEMBERS ARE LGBTQA+

SEXUAL ORIENTATION



Key:

	LGBTQA+	3%
	Heterosexual/straight	83%
	Prefer not to say	14%

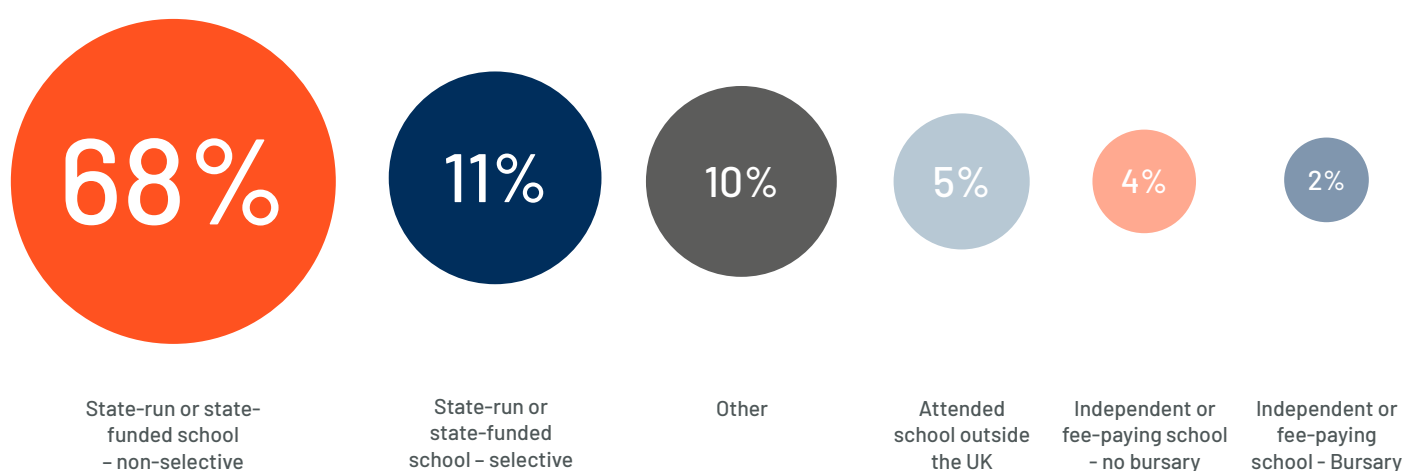
EDUCATION



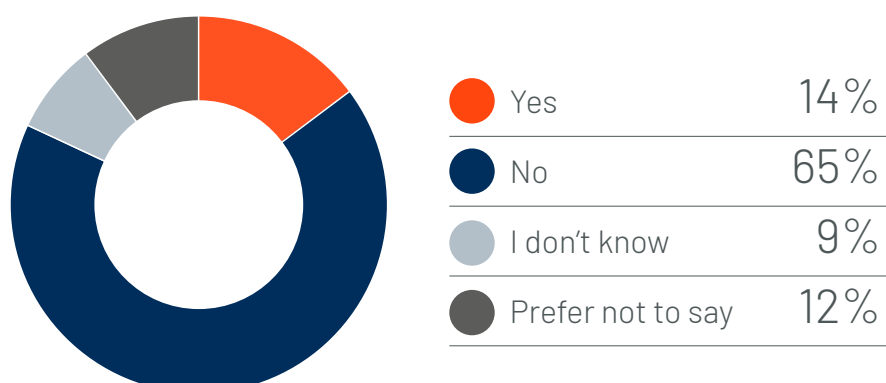
39%
OF OUR MEMBERS
DID NOT ATTEND
UNIVERSITY

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. 39% 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



2021 IN NUMBERS



MEMBERS REGISTERED
FOR 35 DIGITAL EVENTS

19,154



all time registered
users, who have undertaken
256,664 ALL TIME ACTIVITIES

152



products and services were
accessed through CILEX
Rewards, an increase of
238% from 2020



Over 30,000

calls answered by our
call centre in 2021

11,559

messages received
through social media
platforms

6,545



exams and remotely
invigilated online
assessments were sat

542



APPRENTICES
LEARNING WITH
CILEX LAW SCHOOL

3,651



CILEX Law School
courses resulting in 4,608
assessments being sat

58,998



ENGAGEMENTS
ON SOCIAL MEDIA



PASS RATE
85% AT LEVEL 3
76% AT LEVEL 6



100+

mentions in national,
legal and trade press

1,891




members belonging to
Specialist Reference Groups




56%

of external policy
engagements came from
consultation responses



—
“I think if anyone is considering the CILEX route, it is definitely something that I wouldn’t change for the world. I think looking back, I’ve had so many opportunities and experiences that I wouldn’t have had if I had gone to university and gone down the more traditional route.”

CILEX member



“Do it! It was the best decision I ever made for my career studying with CILEX. It gave me the flexibility as it’s obviously working and studying at the same time. It allowed me to pick subjects that I was interested in and were relevant for my career and my progression. It helped me learn what I needed to do within my role as a paralegal at the time and it gave me such a boost, I would fully recommend it.”

CILEX member

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2021

REPORT OF THE BOARD

The Board presents their report and the financial statements of The Chartered Institute of Legal Executives and its subsidiaries (the "Group") for the year ended 31 December 2021. The attached report and financial statements show the results of the activities for the year ended 31 December 2021 with comparative figures for the year ended 31 December 2020.

CONSTITUTION

The Chartered Institute of Legal Executives ("CILEX", "the Institute" or "the Company") is incorporated by Royal Charter and governed by the Charter and Bye-Laws which provide the internal organisation, constitution and conduct of the organisation. The Institute is the sole shareholder of two wholly-owned subsidiary companies, which deliver activities on behalf of the Institute.

MEMBERSHIP OF THE INSTITUTE

The voting members of the Institute are Fellows. A Fellow is a person admitted to membership of the Institute in accordance with the provisions of the Bye-Laws.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Group during the year was 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.

The CILEX Professional Qualification ('CPQ'), the route to becoming a CILEX Paralegal, CILEX Advanced Paralegal or CILEX Lawyer was further developed during 2021 and CILEX Paralegal and CILEX Advanced Paralegal were launched to the market at the end of June 2021. This is a new qualification framework that has core legal knowledge and commercial awareness at its heart in support of CILEX's aim to transform the provision of legal services and to satisfy changing employer needs.

The effect of COVID-19 on the social and economic environment has filtered through to the Group, with the unexpected extension of the December 2020 lockdown to almost mid-year 2021 providing additional challenge. The resulting change in buyer behaviour has impacted in particular the Awarding Body and Education activities. To protect existing resources the organisation implemented a recruitment freeze and accelerated a robust marketing plan to improve sales.

The Group made use of the CJRS Scheme in the early part of 2021 accessing £3.4K (2020: £142k) of grant funding under HM Government furlough scheme.

CILEX Law School Limited (CLS Limited), a wholly owned subsidiary of the Company ceased to trade as of the 31st December 2020, with the majority of assets transferred to the parent company. However, due to an agency agreement with De Montfort University, CLS Limited remains open until the end of the 2021/22 Academic year to see the final students through this joint project.

The net deficit before tax for the Group for the year to 31 December 2021 is £27,672 (2020 : Surplus£892,986)

The results for the year include the Group's share of the running costs of the Legal Services Board (LSB) as required under the Legal Services Act 2007 totalling £152,792 (2020: £149,657).

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Institute is incorporated by Royal Charter and therefore is not subject to UK company law. The Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards and to have them audited. The Directors are required to ensure that financial statements are prepared for each financial year which give a true and fair view of the state of affairs and of its surplus or deficit for that period. In preparing those financial statements, the Directors, in accordance with best practice, are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group will continue in business
- provide the external auditor with all information required in order for them to complete the audit.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with applicable regulations. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Directors are aware:

- there is no relevant audit information of which the Group's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

Haysmacintyre LLP were appointed auditor of the Company by the Directors.

Approved by the Board of Directors on 4 May 2022 and signed on its behalf by



Professor C Bones
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHARTERED INSTITUTE OF LEGAL EXECUTIVES

OPINION

We have audited the financial statements of The Chartered Institute of Legal Executives for the year ended 31 December 2021 which comprise the Group and Company Statement of Comprehensive Income, Group and Company Statement of Changes in Equity, Group and Company Statement of Financial Position, Group and Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards (UK IAS).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the Institute's affairs as at 31 December 2021 and of the group's and the Institute's result for the year then ended; and
- have been properly prepared in accordance with UK IAS.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 director's 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 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 Directors are responsible for the other information. The other information comprises the information included in the Chair of the Appointment and Scrutiny Committee. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of Directors' Responsibilities, 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's and the parent's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or the parent 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 and 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:

Based on our understanding of the Group, we identified that the principal risks of non-compliance with laws and regulations related to 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 preparation of 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 (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Cut-off testing in respect of revenue; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

USE OF OUR REPORT

Our audit work has been undertaken so that we might state to the 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 Group or its members as a body, for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
Chartered Accountants and
Statutory Auditor

10 Queen Street Place,
London
EC4R 1AG
4 May 2022

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	2021 £	2020 As restated £
Revenue		11,277,894	11,978,508
Direct costs		(2,442,407)	(1,857,406)
GROSS SURPLUS		8,835,487	10,121,102
Administrative expenses		(9,265,290)	(10,176,747)
Other operating income	5	76,019	80,238
HMRC JRS grant income		3,410	142,066
Realised gains on disposal of investments		89,291	14,991
Fair value gains on investments		607,628	908,058
SURPLUS BEFORE TAX	6	346,545	1,089,708
Taxation	7	(97,321)	(54,875)
Deferred taxation	7	(276,654)	(141,847)
(DEFICIT)/SURPLUS FOR THE YEAR		(27,430)	892,986

All the activities of the Group are classed as continuing.

There was no other Comprehensive Income for the year.

“...combining working with studying and the benefits you get from doing that. I’m not even 21 and I’m a trainee paralegal with four years’ experience in the workplace as well as my qualifications.”

Katie Dean, Case Manager

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Notes	2021 £	2020 As restated £
Revenue		9,468,044	4,695,254
Direct costs		(2,171,629)	(1,147,282)
GROSS SURPLUS		7,296,415	3,547,972
Administrative expenses		(7,799,099)	(3,778,856)
Other operating income	5	76,019	79,781
HMRC JRS grant income		3,410	77,146
Realised gains on disposal of investments		89,291	14,991
Fair value gains on investments		607,628	908,058
SURPLUS BEFORE TAX	6	273,664	849,092
Taxation	7	(82,780)	(12,383)
Deferred taxation	7	(276,894)	(177,966)
(DEFICIT)/SURPLUS FOR THE YEAR		(86,010)	658,743

All the activities of the Group are classed as continuing.

There was no other Comprehensive Income for the year.

GROUP STATEMENT OF CHANGES IN EQUITY

	Fair value reserve £	Revaluation reserve £	Retained funds £	Total equity £
Balance at 1 January 2020	237,352	812,335	7,866,294	8,915,981
Surplus for the year	730,092	–	162,894	892,986
Balance at 31 December 2020	967,444	812,335	8,029,188	9,808,967
Surplus for the year	330,733	–	(358,163)	(27,430)
Balance at 31 December 2021	1,298,177	812,335	7,671,025	9,781,537

“The CPQ is a pathway into law which increases the opportunities and diversity of our people. The CPQ offers a flexible way to qualify and many of our people study alongside existing roles to further their careers. The 3 stages of the CPQ means there are now opportunities to obtain qualifications around those who wish to become career Paralegals. We look forward to working with CILEX to develop our future talent.”

Mark Gray, Professional Development Manager

COMPANY STATEMENT OF CHANGES IN EQUITY

	Fair value reserve £	Revaluation reserve £	Retained funds £	Total equity £
Balance at 1 January 2020	(195,796)	456,125	7,299,699	7,560,028
Surplus for the year	730,092	–	(71,349)	658,743
Balance at 31 December 2020	534,296	456,125	7,228,350	8,218,771
Surplus for the year	330,733	–	(416,743)	(86,010)
Balance at 31 December 2021	865,029	456,125	6,811,607	8,132,761

GROUP STATEMENT OF FINANCIAL POSITION

	Notes	2021 £	2020 As restated £
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	2,536,833	2,780,834
Intangible assets	9	1,417,344	1,275,617
Other investments	11	7,155,349	6,706,212
		11,109,526	10,762,663
CURRENT ASSETS			
Trade and other receivables	14	2,305,880	1,452,249
Prepayments and accrued income		456,162	527,947
Cash and cash equivalents	15	1,170,726	718,723
		3,932,768	2,698,919
CURRENT LIABILITIES			
Trade and other payables	17	(2,105,474)	(1,679,198)
Deferred Income		(2,601,750)	(1,649,206)
		(4,707,224)	(3,328,404)
NET CURRENT LIABILITIES			
		(774,456)	(629,485)
NON CURRENT LIABILITIES			
Deferred tax payables	16	(487,820)	(211,166)
Lease liability	18	(65,713)	(113,045)
		(553,533)	(324,211)
NET ASSETS			
		9,781,537	9,808,967
EQUITY RESERVES			
Other reserves		2,110,512	1,779,779
Retained funds		7,671,025	8,029,188
TOTAL EQUITY			
		9,781,537	9,808,967

Approved and authorised for issue by the Board of Directors on 4 May 2022 and signed on its behalf by

C Bones
Chair



Company registration number: RC000850

COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2021 £	2020 As restated £
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	2,532,033	2,773,250
Intangible assets	9	1,417,344	1,275,617
Intangible assets	10	620,397	620,400
Other investments	11	7,155,349	6,706,212
		11,725,123	11,375,479
CURRENT ASSETS			
Trade and other receivables	14	2,247,733	1,115,022
Prepayments and accrued income		423,693	473,730
Cash and cash equivalents	15	778,906	453,222
		3,450,332	2,041,974
CURRENT LIABILITIES			
Trade and other payables	17	(3,888,910)	(3,227,004)
Deferred Income		(2,601,452)	(1,648,908)
		(6,490,362)	(4,875,912)
NET CURRENT LIABILITIES			
		(3,040,030)	(2,833,938)
NON CURRENT LIABILITIES			
Deferred tax payables	16	(486,619)	(209,725)
Lease liability	18	(65,713)	(113,045)
		(552,332)	(322,770)
NET ASSETS			
		8,132,761	8,218,771
EQUITY RESERVES			
Other reserves		1,321,154	990,421
Retained funds		6,811,607	7,228,350
TOTAL EQUITY			
		8,132,761	8,218,771

Approved and authorised for issue by the Board of Directors on 4 May 2022 and signed on its behalf by

C Bones
Chair



Company registration number: RC000850

GROUP STATEMENT OF CASH FLOWS

	Notes	2021 £	2020 As restated £
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/Surplus before tax		346,545	1,089,708
NON-CASH ADJUSTMENTS			
Depreciation		231,715	317,538
Amortisation of other intangible non-current assets		250,898	312,298
Investment income		(74,490)	(79,482)
Loss/(gain) on disposal of investments		(696,918)	(923,049)
Lease interest		28,254	20,160
NON-CASH ADJUSTMENTS		(260,541)	(352,535)
CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL		86,004	737,173
CHANGES IN WORKING CAPITAL			
(Increase)/decrease in trade and other receivables		(853,630)	(1,145,310)
(Increase)/decrease in prepayments and accrued income		71,787	351,765
(Increase)/decrease in trade and other payables excluding tax		181,128	(157,942)
Increase/(decrease) in deferred income		952,545	300,678
DECREASE IN WORKING CAPITAL		351,830	(650,809)
Tax paid		(42,465)	(118,788)
NET CASH FLOWS FROM OPERATING ACTIVITIES		395,369	(32,424)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(42,561)	(16,441)
Payments to acquire intangible assets		(392,625)	(650,244)
Payments to acquire available-for-sale investments		(857,738)	(1,427,469)
Proceeds from sale of available-for-sale investments		1,104,899	1,265,570
Interest received, classified as investing		25,144	27,237
Dividends received, classified as investing		49,346	52,245
NET CASH FLOWS FROM INVESTING ACTIVITIES		(113,535)	(749,102)
FINANCING ACTIVITIES			
Proceeds from borrowings		250,000	450,000
Lease rentals paid		(79,829)	(176,201)
NET CASHFLOWS FROM FINANCING ACTIVITIES		170,171	273,799
NET DECREASE IN CASH AND CASH EQUIVALENTS		452,005	(507,727)
Cash and cash equivalents as at 1 January		718,724	1,226,451
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER		1,170,729	718,724

COMPANY STATEMENT OF CASH FLOWS

	Notes	2021 £	2020 As restated £
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/Surplus before tax		273,664	849,091
NON-CASH ADJUSTMENTS			
Depreciation		225,506	160,361
Amortisation of other intangible non-current assets		250,898	299,578
Investment income		(74,490)	(79,482)
Loss/(gain) on disposal of investments		(696,918)	(923,049)
Lease interest		28,254	15,041
NON-CASH ADJUSTMENTS		(266,750)	(527,551)
CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL		6,914	321,540
CHANGES IN WORKING CAPITAL			
(Increase)/decrease in trade and other receivables		(1,132,711)	(787,625)
(Increase)/decrease in prepayments and accrued income		50,036	(38,815)
(Increase)/decrease in trade and other payables excluding tax		389,770	164,265
Increase/(decrease) in deferred income		952,544	658,884
DECREASE IN WORKING CAPITAL		259,639	(3,291)
Tax paid		–	(118,788)
NET CASH FLOWS FROM OPERATING ACTIVITIES		266,553	199,461
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(39,136)	(16,441)
Payments to acquire intangible assets		(392,625)	(650,244)
Payments to acquire available-for-sale investments		(857,738)	(1,427,469)
Proceeds from sale of available-for-sale investments		1,104,899	1,265,570
Interest received, classified as investing		25,144	27,237
Dividends received, classified as investing		49,346	52,245
NET CASH FLOWS FROM INVESTING ACTIVITIES		(110,110)	(749,102)
FINANCING ACTIVITIES			
Proceeds from borrowings		250,000	450,000
Lease rentals paid		(80,760)	(81,851)
NET CASHFLOWS FROM FINANCING ACTIVITIES		169,240	368,149
NET DECREASE IN CASH AND CASH EQUIVALENTS		325,683	(181,492)
Cash and cash equivalents as at 1 January		453,223	634,715
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER		778,906	453,223

NOTES TO THE GROUP FINANCIAL STATEMENTS

1.

AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS

The Institute is a body incorporated by Royal Charter. The financial statements are prepared in accordance with UK adopted International Accounting Standards(UK IAS) and IFRIC interpretations. The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and freehold property.

There are no significant changes to the reporting framework followed by the Group for the year ended 31 December 2021.

Basis of consolidation

The consolidated group financial statements comprise the financial statements of the Chartered Institute of Legal Executives and its trading subsidiary undertakings as described in note 10. Subsidiaries are all entities over which the Group has the power to govern financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which the Group takes control.

Where necessary, adjustments are made to the financial statements of the Institute and subsidiaries to bring the accounting policies used into line with those used by the Group. Inter-company transactions and balances between Group companies are eliminated.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors make estimates, assumptions and judgements concerning the carrying amount of assets and liabilities on a prudent basis and are satisfied with the accuracy of these estimates.

Impact of future adoption of new IFRS or interpretations

There are no new Standards or Interpretations in issue which are expected to have a material impact on the financial statements of the Institute or the group in future reporting periods.

2.

ACCOUNTING POLICIES

Revenue recognition

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

CPQ income is recognised as follows:

- a. 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.
- b. The education element of CPQ is recognised at 30% on purchase equating to the immediate value made available, and the remaining 70% is recognised on a monthly basis over 24 months, which is the estimated time required to complete a stage.
- c. 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 income is recognised on an arising basis in line with the agreements in place with the principal.

Apprenticeship income is recognised over the duration of the apprenticeship.

HMRC Coronavirus Job Retention Scheme ("CJRS") grant income is presented within other operating income and is recognised at the fair value of the grant receivable when there is reasonable assurance that the grant conditions are met and the grant will be received.

Interest and dividend income is accounted for on an arising basis.

All income is recognised net of value added tax.

Reclassifications

The following reclassifications have been made and the 2020 numbers restated;

The fair value gains and losses on the investments and the deferred tax charge/credit on unrealised gains and losses have been reclassified as movements through the profit and loss statement. On first adoption of IFRS 9, the accounting treatment of the available for sale investments was designated as Fair Value through Other Comprehensive Income, however it has since been clarified that the investment holdings did not meet the criteria for this designation and they should have been accounted for at Fair Value through Profit and Loss. The change of designation has a presentational impact on the Statement of Comprehensive Income, but there is no impact on the presentation in the Statement of Financial position.

Cash held as part of the investment portfolio has been reclassified from fixed assets investments to current assets cash equivalents as this better reflects the investment strategy and purpose of cash assets.

Other reclassifications which have no impact on the 2020 financial position are;

VAT adjustment in respect of membership income reclassified from direct costs to revenue.

Accrued income reclassified from trade receivables to Prepayments and accrued income.

2020 dividends, interest and bank interest reclassified across Other operating income and realised gains and losses on investments

Foreign currency exchange

Transactions in currencies other than the functional currency of the Group are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Pension costs

The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the income statement.

Taxation

Corporation tax arises on the Group's chargeable gains and investment income less any charitable donations by way of gift aid and trading profits. Provision is made for deferred taxation to the extent that material timing differences are expected to reverse in future periods. Deferred taxation is provided in full in respect of unrealised gains on investments.

Segmental reporting

A business segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONT.)

2. ACCOUNTING POLICIES (continued)

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses, except for long leasehold property, which is stated at valuation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, on the following bases:

Freehold property	1% on cost
Fixtures and fittings	10% on cost
IT equipment	25% on cost

Investments

Investments are recognised at cost on the trade date and are restated on the reporting date at fair value. Unrealised gains and losses (including those arising on translation of investments denominated in foreign currencies) are recognised directly in fair value reserves until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in fair value reserves is included in net surplus or deficit for the period.

Investments in subsidiaries are stated at cost less any impairment deemed necessary.

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of a business combination are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

The carrying value of intangible assets are reviewed for impairment on an annual basis for events or changes in circumstances that indicate that the carrying value may not be recoverable.

CPQ development costs have been disclosed as a separate class of intangible asset within the intangible fixed assets note (9) now that development is complete and the commercial sensitivity reduced.

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

Education products	10% on cost
Software	25% on cost
Business systems	33% on cost

Trade and other receivables

Trade and other receivables are recognised by the Group and carried at original invoice amount less an allowance for any uncollectible or impaired amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are identified as being unrecoverable.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short term deposits and investment cash gains. Short term deposits are defined as deposits with an initial maturity of three months or less, but can be drawn upon at any time. Cash on investment has been reclassified to cash and cash equivalents and the 2020 numbers restated.

Deferred tax

Deferred tax is provided in full, using the statement of financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all material taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future 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 (other than as a business combination) or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is charged or credited to the consolidated statement of comprehensive income, 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 is determined using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax assets and liabilities are offset when they relate to income taxed levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Trade and other payables

Trade and other payables are not interest bearing and are stated at their nominal value.

Leased assets

CILEx adopted IFRS 16 from 1 January 2019. The Group applied the transition method. The amounts disclosed in the extracts are expressed in British pounds.

Assets held under operating leases are recognised as right-of-use assets of the Group at the present value of the lease payments. The corresponding liability is included in the balance sheet as a both a current and non-current lease liability. Lease payments are apportioned between finance charges at a rate of 5% and are charged to the Group Income statement. Rentals payable under operating leases are charged to the Group Statement of Comprehensive Income on a straight line basis over the term of the lease.

Other reserves

The other reserve relates to the fair value reserve which comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

NOTES TO THE GROUP FINANCIAL STATEMENTS

3.

SEGMENT INFORMATION – Year ended 31 December 2021

	Membership and Awarding Body	Regulation	Law School	Consolidation adjustments	Total
	£	£	£	£	£
Revenue – sales to external customers	4,856,900	1,809,850	4,611,144	–	11,277,894
Gross surplus	3,428,215	1,539,072	3,868,199	–	8,835,487
OTHER INCOME AND EXPENDITURE					
Depreciation	(225,508)	(6,207)	–	–	(231,715)
Amortisation	(250,898)	–	–	–	(250,898)
Lease interest	(28,254)	–	–	–	(28,254)
Other admin expenses	(3,890,230)	(1,459,985)	(3,404,208)	–	(8,754,426)
HMRC JRS grant	3,410	–	–	–	3,410
Investment income	74,490	–	–	–	74,490
Bank Interest received	1,529	–	–	–	1,529
Gain on disposal of investments	89,291	–	–	–	89,291
Fair value gains on investments	607,628	–	–	–	607,628
Taxation	(359,674)	(14,328)	27	–	(373,975)
Surplus/(deficit) for the year	(550,000)	58,552	464,018	–	(27,430)
ASSETS AND LIABILITIES					
Non-current assets	11,725,121	4,802	–	(620,397)	11,109,526
Current assets	3,450,334	591,144	1,809,727	(1,918,438)	3,932,768
Liabilities	(7,042,692)	(136,503)	–	1,918,438	(5,260,757)
Total equity	8,132,763	459,444	1,809,727	(620,397)	9,781,537

3.

SEGMENT INFORMATION (continued) – Year ended 31 December 2020 as restated

	Membership and Awarding Body	Regulation	Law School	Consolidation adjustments	Total
	£	£	£	£	£
Revenue – sales to external customers	4,695,253	1,794,649	5,488,606	–	11,978,508
Gross surplus	3,547,971	1,690,868	4,882,263	–	10,121,102
OTHER INCOME AND EXPENDITURE					
Depreciation	(160,361)	(5,408)	(151,770)	–	(317,539)
Amortisation	(299,578)	–	(12,720)	–	(312,298)
Lease interest	(15,041)	–	(5,119)	–	(20,160)
Other admin expenses	(3,303,873)	(1,416,332)	(4,806,543)	–	(9,526,748)
HMRC JRS grant	77,146	–	64,920	–	142,066
Investment income	79,482	–	–	–	79,482
Bank Interest received	299	–	457	–	756
Gain/(Loss) on disposal of investments	14,991	–	–	–	14,991
Fair value gains on investments	908,058	–	–	–	908,058
Taxation	(190,349)	(35,703)	29,330	–	(196,722)
Surplus/(deficit) for the year	658,745	233,425	818	–	892,952
ASSETS AND LIABILITIES					
Non-current assets	10,762,663	7,584	–	(620,400)	10,762,663
Current assets	1,549,571	463,615	1,990,130	(1,794,745)	2,698,919
Liabilities	(5,196,627)	(70,304)	(180,429)	1,794,745	(3,652,615)
Total equity	8,218,771	400,895	1,809,701	(620,400)	9,808,967

NOTES TO THE GROUP FINANCIAL STATEMENTS

4. EMPLOYEE EXPENSES

	2021 £	2020 £
Wages and salaries	4,947,661	5,193,781
Social security costs	481,219	535,459
Post-employment expense for defined contribution plans	588,206	506,633
Other employee benefits	64,105	53,219
	6,081,191	6,289,092

The average monthly number of employees of the Group, including CRL, during the year was made up as follows:

	2021 No.	2020 No.
Administration	142	176

Key management compensation

	2021 £	2020 £
Wages and salaries	351,779	118,848
Post-employment benefits: Defined contribution	44,628	9,508
Social security costs	33,486	16,699
Benefits in kind	-	10,490
	429,893	155,545

Due to the restructuring of the Group, the Group key management increased from 1(2021) to 4 FTE's during the course of 2021.

5.

OTHER OPERATING INCOME

	Group 2021 £	Group 2020 As restated £	Company 2021 £	Company 2020 As restated £
Interest earned on investments	25,144	27,237	25,144	27,237
Dividends earned on investments	49,346	52,245	49,346	52,245
Bank interest received	1,529	756	1,529	299
	76,019	80,238	76,019	79,781

6.

SURPLUS/(DEFICIT) BEFORE TAX

Surplus/(deficit) before tax is stated after charging the following:

	Group 2021 £	Group 2020 As restated £	Company 2021 £	Company 2020 As restated £
Depreciation of property, plant and equipment	231,715	317,539	225,506	160,361
Amortisation of software intangibles	250,898	312,298	250,898	299,578
Interest expenses on lease liabilities	28,254	20,160	28,254	15,041
Auditor's remuneration – audit services	27,451	38,000	23,521	20,120
Auditor's remuneration – tax compliance services	11,100	7,300	9,750	4,000

NOTES TO THE GROUP FINANCIAL STATEMENTS

7.

TAXATION

Components of taxation - Group

	2020 £	2020 As restated £
Current tax expense		
Current tax expense	98,284	42,492
Under provision in the prior year	(963)	12,383
	97,321	54,875
Deferred tax expense		
Origination and reversal of temporary differences	208,746	131,994
Adjustments in respect of prior periods	67,908	1,520
Origination and reversal of temporary differences through OCI	0	8,333
	276,654	141,847
Taxation for the year	373,975	196,722

Reconciliation of tax expense to accounting profit - Group

Tax at the domestic income tax rate of 19.00% (2020: 19%)	65,844	34,513
Fixed Asset differences	44,263	0
Expenses not deductible for tax purposes	1,000,951	958,182
Non-taxable income	(975,461)	(904,186)
Deferred tax adjustments	115,330	(26,492)
Exempt ABGH distributions	(5,762)	(59,778)
Capital gains less profit on sale of investments	133,229	174,201
Deferred tax assets not recognised	(2,888)	4,804
Other differences	-	3,095
Under/(Over)provision in the prior year	(1,531)	12,383
	373,975	196,722

The majority of the Company's financial results relate to Membership activities which are not subject to corporation tax. Accordingly, the tax charge for the Company relates to its non-Membership trading activity and its realised investment activity.

8. PROPERTY, PLANT AND EQUIPMENT

GROUP – At 31 December 2021

	Freehold property £	Fixtures and fittings £	IT equipment £	Right of use assets £	Total £
Cost					
At 1 January 2021	2,383,659	832,196	301,774	345,431	3,863,060
Additions	–	–	42,561	–	42,561
Disposals	–	–	–	(54,849)	(54,849)
At 31 December 2021	<u>2,383,659</u>	<u>832,196</u>	<u>344,335</u>	<u>290,582</u>	<u>3,850,772</u>
Depreciation					
At 1 January 2021	59,613	636,563	218,108	167,941	1,082,225
Charge for year	29,275	103,263	59,864	54,017	246,419
Eliminated on disposal	–	–	–	(14,704)	(14,704)
At 31 December 2021	<u>88,888</u>	<u>739,826</u>	<u>277,972</u>	<u>207,254</u>	<u>1,313,940</u>
Net book value					
At 1 January 2021	<u>2,324,046</u>	<u>195,633</u>	<u>83,666</u>	<u>177,490</u>	<u>2,780,835</u>
At 31 December 2021	<u>2,294,771</u>	<u>92,370</u>	<u>66,363</u>	<u>83,328</u>	<u>2,536,832</u>

GROUP – At 31 December 2020

Cost					
At 1 January 2020	2,383,659	822,805	294,726	389,283	3,890,473
Additions	–	9,391	7,048	72,013	88,452
Disposals	–	–	–	(115,865)	(115,865)
At 31 December 2020	<u>2,383,659</u>	<u>832,196</u>	<u>301,774</u>	<u>345,431</u>	<u>3,863,060</u>
Depreciation					
At 1 January 2020	34,174	584,874	158,902	102,602	880,552
Charge for year	25,439	51,689	59,206	181,204	317,538
Eliminated on disposal	–	–	–	(115,865)	(115,865)
At 31 December 2020	<u>59,613</u>	<u>636,563</u>	<u>218,108</u>	<u>167,941</u>	<u>1,082,225</u>
Net book value					
At 1 January 2020	<u>2,349,485</u>	<u>237,931</u>	<u>135,824</u>	<u>286,681</u>	<u>3,009,919</u>
At 31 December 2020	<u>2,324,046</u>	<u>195,633</u>	<u>83,666</u>	<u>177,490</u>	<u>2,780,835</u>

NOTES TO THE GROUP FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY – At 31 December 2021

	Freehold property £	Fixtures and fittings £	IT equipment £	Right of use assets £	Total £
Cost					
At 1 January 2021	2,383,658	832,196	280,146	345,430	3,841,430
Additions	–	–	39,136	–	39,136
Disposals	–	–	–	(54,848)	(54,848)
At 31 December 2021	<u>2,383,658</u>	<u>832,196</u>	<u>319,282</u>	<u>290,582</u>	<u>3,825,718</u>
Depreciation					
At 1 January 2021	59,614	636,563	204,063	167,940	1,068,180
Charge for year	29,274	103,263	53,654	54,018	240,209
Eliminated on disposal	–	–	–	(14,704)	(14,704)
At 31 December 2021	<u>88,888</u>	<u>739,826</u>	<u>257,717</u>	<u>207,254</u>	<u>1,293,685</u>
Net book value					
At 1 January 2021	2,324,044	195,633	76,083	177,490	2,773,250
At 31 December 2021	<u>2,294,770</u>	<u>92,370</u>	<u>61,565</u>	<u>83,328</u>	<u>2,532,033</u>

8.

PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY – At 31 December 2020

	Freehold property £	Fixtures and fittings £	IT equipment £	Right of use assets £	Total £
Cost					
At 1 January 2020	1,408,910	395,519	159,956	314,892	2,279,277
Additions	-	9,391	7,050		16,441
Disposals	-	-	-	(60,911)	(60,911)
Transfers from subsidiary	974,748	427,286	113,140	91,449	1,606,623
At 31 December 2020	2,383,658	832,196	280,146	345,430	3,841,430
Depreciation					
At 1 January 2020	20,272	312,160	79,228	73,962	485,622
Charge for year	15,226	16,224	30,833	98,078	160,361
Eliminated on disposal	-	-	-	(60,911)	(60,911)
Transfers from subsidiary	24,116	308,179	94,002	56,811	483,108
At 31 December 2020	59,614	636,563	204,063	167,940	1,068,180
Net book value					
At 1 January 2020	1,388,638	83,359	80,728	240,930	1,793,655
At 31 December 2020	2,324,044	195,633	76,083	177,490	2,773,250

NOTES TO THE GROUP FINANCIAL STATEMENTS

9. INTANGIBLE ASSETS – GROUP

31 December 2021

	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
Amortisation			
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
Carrying value			
At 1 January 2021	321,721	953,896	1,275,617
At 31 December 2021	219,506	1,197,837	1,417,343

31 December 2020

Cost			
At 1 January 2020	815,165	796,931	1,612,096
Additions	72,700	577,543	650,243
At 31 December 2020	887,865	1,374,474	2,262,339
Amortisation			
At 1 January 2020	257,003	417,421	674,424
Charge for the year	309,141	3,157	312,298
At 31 December 2020	566,144	420,578	986,722
Carrying value			
At 1 January 2020	558,162	379,509	937,671
At 31 December 2020	321,721	953,896	1,275,617

9.

INTANGIBLE ASSETS (continued) – COMPANY**31 December 2021**

	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
Amortisation			
At 1 January 2021	566,144	420,578	986,723
Charge for the year	138,466	112,432	250,898
At 31 December 2021	704,610	533,010	1,237,620
Carrying value			
At 1 January 2021	321,721	953,896	1,275,617
At 31 December 2021	219,506	1,197,837	1,417,344

31 December 2020

Cost			
At 1 January 2020 as restated	815,165	796,931	1,612,096
Additions	72,700	133,580	206,280
Transfers from subsidiary	–	443,963	443,963
At 31 December 2020	887,865	1,374,474	2,262,339
Amortisation			
At 1 January 2020	269,723	15,076	284,799
Charge for the year	296,421	3,156	299,577
Transfers from subsidiary	–	402,346	402,346
At 31 December 2020	566,144	420,578	986,722
Carrying value			
At 1 January 2020	558,162	379,509	937,671
At 31 December 2020	321,721	953,896	1,275,617

NOTES TO THE GROUP FINANCIAL STATEMENTS

10.

INVESTMENTS IN SUBSIDIARIES

	2021 £	2020 £
Cost at 1 January and 31 December	620,397	620,400

The Institute's investments in 100% of the ordinary share capital of unlisted companies incorporated in the United Kingdom at the year end comprise the following:

Name	Principal activity
CILEx Law School Limited	Education delivery
CILEx Regulation Limited	Independent regulator of members of the Institute and regulated entities

11.

OTHER INVESTMENTS

Group and Company

	2021 £	2020 As restated £
Market value		
At 1 January	6,706,212	5,623,301
Additions	857,738	1,428,250
Disposals	(1,104,899)	(1,265,570)
Realised gain on disposal	89,291	14,991
Unrealised gain/(loss) on changes in market value	607,628	908,058
Movement in accrued interest	(621)	(2,818)
At 31 December	7,155,349	6,706,212

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.

12.

FINANCIAL RISK MANAGEMENT

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.

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.

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

13.

RELATED PARTY TRANSACTIONS**Trading activities**

During the year the Institute received income from CILEX Law School Limited totalling **£nil** (2020: £nil) in relation to expenditure the Institute had incurred on its behalf and later recharged at cost to them.

In addition, the Institute sold journal advertising and course books to CILEX Law School Limited totalling **£nil** (2020: £nil). The Institute was charged **£nil** (2020: £233,115) by CILEX Law School Limited for expenditure it had incurred on the Institute's behalf, which was also recharged at cost.

At the year end, amounts due to CILEX Law School Limited totalled **£1,680,699** (2020: £1,559,137 due from CILEX Law School Limited).

During the year the company paid expenses of **£nil** (2020: £8,187) on behalf of the CILEX Compensation Fund.

During the period, the Institute contributed to the operating costs of CILEX Regulation Limited totalling **£5,000** (OPBAS) (2020: £5,005). Amount due to CILEX Regulation Limited at the year-end was **£237,189** (2020: £65,980).

During the year CILEX provided administrative support to The CILEX Foundation of **£43,431** (2020: £43,596) and committed to a donation of **£137,000** (2020: nil).

Reimbursement of expenditure

During the period the Institute reimbursed out of pocket expenses to Directors in respect of travel and other necessary expenses incurred in performing their duties of **£1,098** (2020: £23,713).

NOTES TO THE GROUP FINANCIAL STATEMENTS

14.

TRADE AND OTHER RECEIVABLES

	Group 2021	Group 2020 As restated	Company 2021	Company 2020 As restated
	£	£	£	£
Trade receivables	2,075,864	1,386,864	2,030,090	1,049,637
Other receivables	230,014	65,385	217,643	65,385
	2,305,880	1,452,249	2,247,733	1,115,022

Amounts receivable from trade customers are non-interest bearing and are generally on 30 - 45 day terms.

The Directors consider that the carrying amount of these assets approximates their fair value.

15.

CASH AND CASH EQUIVALENTS

	Group 2021	Group 2020 As restated	Company 2021	Company 2020 As restated
	£	£	£	£
Cash in hand	408	408	359	359
Cash at bank	739,706	489,475	347,932	224,023
Cash investments	430,615	228,841	430,615	228,841
	1,170,729	718,724	778,906	453,223

16.

DEFERRED TAX

	Statement of financial position		Statement of total comprehensive income	
	2021	2020 As restated	2021	2020 As restated
	£	£	£	£
Deferred tax liabilities				
Relating to depreciation	(1,201)	(1,441)	240	-
Relating to investments	(486,619)	(209,725)	(276,894)	(141,847)
	(487,820)	(211,166)	(276,654)	(141,847)

17.

TRADE AND OTHER PAYABLES

	Group 2021	Group 2020 As restated	Company 2021	Company 2020 As restated
	£	£	£	£
Payable to trade suppliers	108,029	97,033	64,326	63,688
Bank loan	700,000	450,000	700,000	450,000
Lease liability	35,867	96,511	35,867	96,511
Other payables	164,246	62,166	151,634	42,734
Social security and other taxes	410,351	20,822	410,351	(19,209)
Accruals	587,875	543,921	525,282	512,125
Corporation tax payable	98,284	42,491	82,780	-
VAT payable	822	366,254	822	284,943
Amounts owed to subsidiaries	-	-	1,917,848	1,796,212
	2,105,474	1,679,198	3,888,910	3,227,004

The Directors consider that the carrying amount of these assets approximates their fair value.

At 31 December 2021 **£700,000** (2020: £450,000) was drawn down for general corporate purposes on a secured facility from Barclays at an interest rate of 0.85% (0.75% + BoE Base Rate of 0.10%). This will be repaid over the course of 2022.

NOTES TO THE GROUP FINANCIAL STATEMENTS

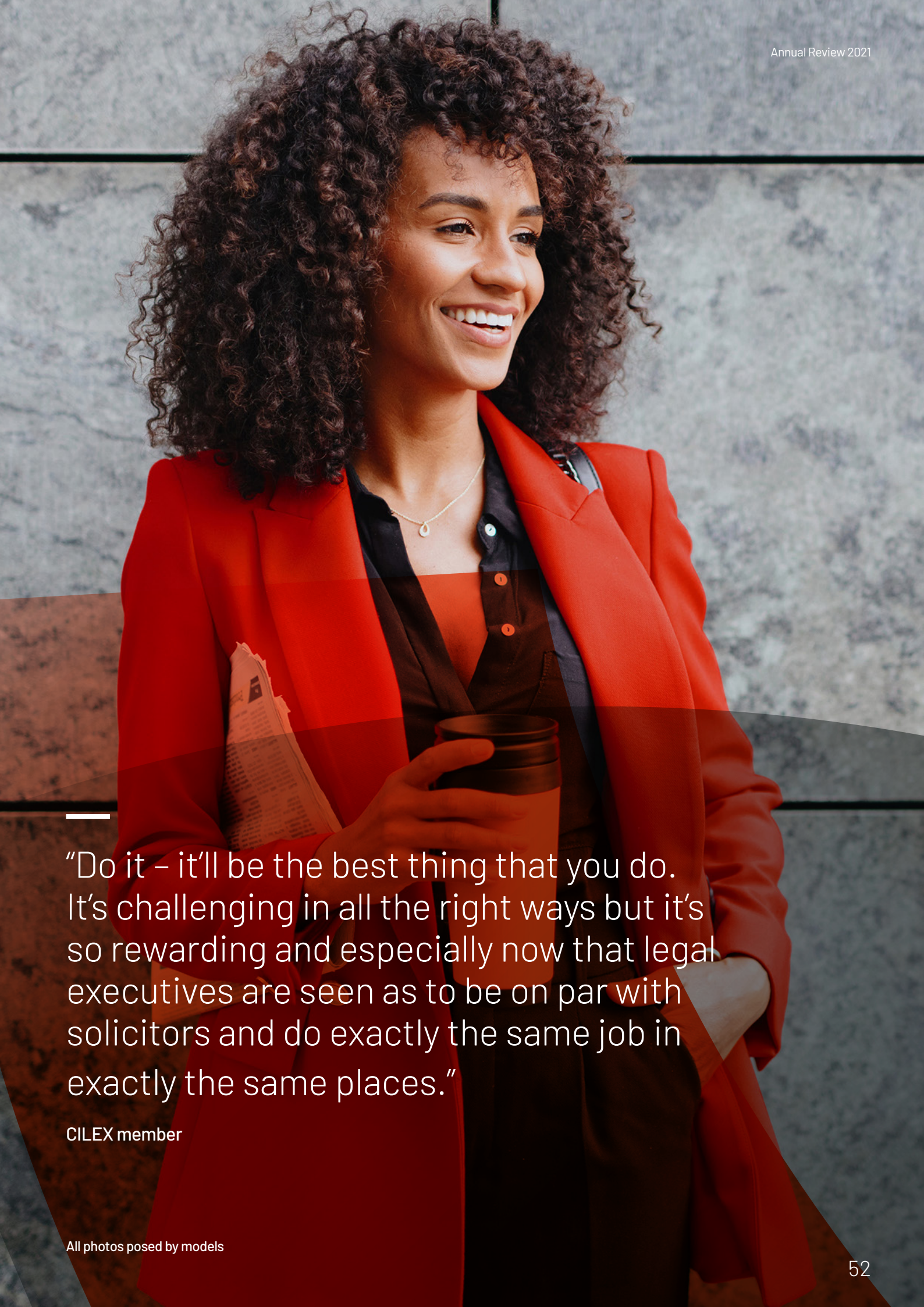
18. LEASE LIABILITY

At 31 December the Group had outstanding commitments for future minimum lease payments under operating leases relating to motor vehicles and other equipment which fall due as follows:

	2021 £	2020 £
Less than one year	35,867	96,511
Later than one year but less than five years	65,713	113,045
	101,580	209,556

“Choosing CILEX was a really easy decision as it was an affordable, practical way of gaining a professional qualification. I’ve been working in law firms for several years and I’d done the GDL and looked at the LPC but circumstances and finances didn’t make it a viable option so doing CILEX worked really well for me; I was working full time so I could study around my work and other commitments and made it here[Graduation]!”

Hannah Gidney, FCILEX

A woman with voluminous curly brown hair is smiling and looking off to the side. She is wearing a bright red blazer over a dark blue button-down shirt. She holds a black and white coffee cup in her right hand and a folded newspaper in her left. The background is a textured grey wall.

“Do it – it’ll be the best thing that you do. It’s challenging in all the right ways but it’s so rewarding and especially now that legal executives are seen as to be on par with solicitors and do exactly the same job in exactly the same places.”

CILEX member

THE CILEX FOUNDATION

COMPANY INFORMATION

DIRECTORS

His Hon Judge Marc David Dight

Angus Duncan MacIver

Doris Harriette Olulode

Ian David Hunt (appointed 22 November 2021)

Thomas John Edward Morgan (appointed 7 December 2021)

REGISTRATION NUMBER

11995446

REGISTERED OFFICE

Kempston Manor

Manor Drive

Kempston

Bedford

MK42 7AB

THE CILEX FOUNDATION

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2021.

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..

DIRECTORS

The directors who served during the year were:

His Hon Judge Marc David Dight

Angus Duncan MacIver

Doris Harriette Olulode

Ian David Hunt (appointed 22 November 2021)

Thomas John Edward Morgan (appointed 7 December 2021).

SMALL COMPANIES NOTE

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

This report was approved by the board on 24th May 2022 and signed on its behalf.

His Hon Judge Marc David Dight CBE

Director



THE CILEX FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Turnover	139,802	191,715
Direct costs	(33,488)	(4,074)
Gross surplus	106,314	187,641
Administrative expenses	(31,450)	(8,646)
Operating surplus	74,864	178,995
Tax on surplus	–	–
Surplus for the financial year	74,864	178,995

There were no recognised gains and losses for 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021.

“...In fact, I recommended it to one of my colleagues who has a Law degree and is therefore eligible to bypass the Foundation stage that I’m doing and go straight in at CPQ Advanced.”

Izzy Minor, Trainee Paralegal

STATEMENT OF FINANCIAL POSITIONAS AT 31 DECEMBER 2021

	2021 £	2020 £
Fixed assets	–	–
Cash at bank and in hand	–	–
Current assets		
Debtors: amounts falling due within one year	100,427	442
Cash at bank and in hand	190,183	198,665
	290,610	199,107
Creditors: amounts falling due within one year	(60,235)	(43,596)
Net current assets	230,375	155,511
Total assets less current liabilities	230,375	155,511
Net Assets	230,375	155,511
Capital and reserves		
Called up share capital	–	–
Profit and loss account	230,375	155,511
Total equity	230,375	155,511

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 its behalf on 24th May 2022

His Hon Judge Marc David Dight
Director



“Working and studying on the job has really helped me understand the court procedure on the legal side. I can apply my learning to real cases in court and understand legal arguments and reasonings behind barristers’ actions. Studying through CILEX Law School has definitely helped me to feel more involved in the cases I come across and has given me a lot more confidence in my own understanding of the law. Achieving this apprenticeship will also open more doors for me in the future as I can then progress onto a higher level apprenticeship.”

Izzy Clubley, Court Manager



Chartered Institute of Legal Executives (CILEX)
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