

**Institute of Legal Executives**

# Annual Report & Accounts

To 31 December 2009



“The progress made by ILEX and Legal Executives symbolises how much can be achieved if individual members of the legal profession have the collective foresight and the imagination to look ahead and take a long-term view”

**Lord Judge**, Lord Chief Justice, July 2009.

# Annual Report & Accounts 2009

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For the year ended 31 December 2009

# Officers & Professional Advisors

**Company registration number**

00235139

**The Council**

J Gordon-Nichols (President)  
D McGrady (Vice-President)  
S A Silver (Deputy Vice-President)  
K Barrett  
M Bishop  
M N Callan  
D J Edwards (appointed – 17 July 2009)  
F Edwards  
M French  
L C Graham  
S Gowland  
N Hanning  
K Hill (retired – 17 July 2009)  
J A Hughes (appointed – 17 July 2009)  
K McCarthy  
R N Palmer  
R G Ralph (appointed – 17 July 2009)  
D F Read (retired – 17 July 2009)  
M A Reeves  
L J Shaw  
D S Slow  
J A Wells (retired – 15 December 2009)

**Company secretary**

D Burleigh

**IPS Board**

A Kershaw (Chair)  
S Barton  
T Brown  
H Daniels  
F Essat  
A Middleton  
N Smedley

**Registered office**

Kempston Manor  
Kempston  
Bedford  
MK42 7AB

**Current auditor**

Collett Hulance LLP  
Chartered Certified Accountants & Registered Auditors  
40 Kimbolton Road  
Bedford  
MK40 2NR

**Bankers**

National Westminster Plc  
81 High Street  
Bedford  
MK40 1NE

8 July 2010

# Notice of Annual General Meeting (AGM)



**NOTICE IS GIVEN** that the **ANNUAL GENERAL MEETING** of the Institute of Legal Executives will be held at 17.15pm on Thursday 8 July 2010 at The Honourable Artillery Company, Armoury House, City Road, London, EC1Y 2BQ to transact the following business:

1. To receive the Minutes of the Annual General Meeting held on 17 July 2009.
2. The President's Address.
3. To receive the Accounts of the Institute of Legal Executives Group for the period ended 31 December 2009, and the Reports of the Council and of the Auditors.

**Ordinary Resolution:**

To adopt the Accounts of the Institute of Legal Executives Group for the year ended 31 December 2009.

**4. Ordinary Resolution:**

To re-appoint Collett Hulance as Auditors and authorise Council to fix their remuneration.

5. To announce the election and re-appointment of Fellows to the Council of the Institute of Legal Executives.

6. Any Other Business.

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Dated: 30 April 2010  
By Order of the Council  
Diane Burleigh  
Chief Executive

## EXPLANATORY NOTES

### The Meeting

Anyone who is registered with the Institute of Legal Executives (ILEX) may attend the Annual General Meeting and speak on the various items of business, but only Fellows are entitled to vote on the Resolutions.

### Voting

Votes on the Resolutions will be taken on the day of the Meeting. Fellows who are entitled to vote may appoint the Chairman, or any other Fellow entitled to attend and vote at the Meeting, as his or her proxy to vote on a poll.

A **Form of Proxy** can be obtained from Kempston Manor. Completed forms must be sent to reach ILEX's Registered Office, not later than 17.15pm on 6 July 2010. The Registered Office address is Kempston Manor, Kempston, Bedford MK42 7AB.

### The Resolutions

The Council of ILEX recommends Fellows to approve the Resolutions, which are explained below.

**Item 3** is the Resolution to adopt the Accounts of the Institute of Legal Executives Group for the year ended 31 December 2009. The Accounts are set out in the Annual Report with the necessary Auditors' reports. **This is an Ordinary Resolution.**

**Item 4** is to resolve to re-appoint ILEX's Auditors, Collett Hulance, for the next 12 months, and to give the ILEX Council power to fix their fees. **This is an Ordinary Resolution** and is required under Companies legislation.

If the resolutions are approved, they will take effect at the end of the AGM on 8 July 2010.

### Further Information

Copies of the Articles of Association appear on ILEX's website at [www.ilex.org.uk](http://www.ilex.org.uk).

ILEX is registered in England as a Company Limited by Guarantee – No. 00235139.



**Diane Burleigh**

## Message from the Chief Executive

### **Staff and Council Members Code of Conduct**

In 2009 the Council reviewed and approved the Code of Conduct, which governs the ethical approach to our work. All of the ILEX Group staff and Council members subscribe to the same values in the conduct of their work for ILEX. No complaints were received.

### **ILEX Reserves Policy**

Council reviewed the ILEX Reserves Policy and agreed the terms of the policy for a further 12 months.

### **The Legal Services Act 2007**

Throughout 2009 there were a number of important consultations issued by the Legal Services Board (LSB) as it developed its working practices and rules prior to its official launch on 1 January 2010. ILEX engaged fully during these consultations. Meetings were also held with the developing Office of Legal Complaints, including with the Chief Ombudsman. Council has established a regulatory committee to oversee the work of ILEX as an Approved Regulator, to recommend policy in this area to the Council of ILEX and to support the developing relationship with ILEX Professional Standards Limited (IPS).

### **Online Communication**

The newly re-launched main ILEX website has bedded in well. The most popular information on the website relates to how to study for an ILEX qualification. These pages operate alongside new online interactive maps that enable potential students to identify accredited study centres within the 30-mile radius of their location based on post codes. Together, these web resources are better helping prospective students to commence their ILEX career. There are maps relating to our main lawyer qualifications, as well as the legal secretary and legal studies (paralegal) qualifications that we offer in conjunction with City & Guilds.

Another notable web success has been the re-launched online Fellows Directory, which is now searchable by member name, employer name, location and specialisation. During the year it was accessed 93,000 times by members of the public who wished to locate the services of our qualified lawyers.

For the membership, a 'MyILEX' facility was launched in September 2009. Over 4,000 members immediately signed up for this initiative. It allows access to online customer services such as secure payment of subscriptions and recording of Continuous Professional Development (CPD).

For next year, we hope to introduce additional online facilities, so I encourage all our members to register with the MyILEX service and enjoy the convenience of accessing ILEX's membership services whatever the time of day.

The ILEX careers website acts as a valuable tool in telling prospective students about the benefits of a career as a Legal Executive lawyer. The entire content was refreshed and re-built under a new hosting arrangement which saves ILEX financially and allows the micro-site content to be accessed via the main ILEX site's search tool. During the year the site was visited by 70,000 people.

### **Equality, Diversity and Accessibility**

Following consultation in 2008, ILEX developed its Group Single Equality and Diversity Scheme and Action Plan which was launched in early 2009. We have already made considerable progress against the targets in the plan. All Council members and staff received diversity training in the early part of 2009.

ILEX is aware that the emerging needs of our Welsh members and study centres may be different from those based in England. For some years ILEX has had a specific focus on supporting the membership in Wales. We have two Welsh Council members as well as a Regional Liaison Officer for Wales. The ILEX branches in Wales have continued to flourish. In July we organised a drinks reception in Cardiff which was attended by 70 people, including notable leaders from the Welsh Assembly Government, three Welsh QCs and four District Judges. In October 2009 the President and I attended the Legal Wales Conference. Our Regional Liaison Officer for Wales was a key figure in the organisation of this conference.

A successful member research exercise was undertaken at the end of 2008. Presentations were made to Council in February 2009 and to all staff. The research has enabled us to be more secure in our data on the makeup of the membership, and will help us to understand our members and what they expect of their professional association.

### **Profile Raising**

The members of ILEX look to us to raise the public profile of the ILEX lawyer and of ILEX itself. To this end, a PR profile building campaign was commenced. The objectives were to raise awareness of the ILEX route to becoming a lawyer amongst the general public, particularly amongst women aged 20 to 35 years old; to raise the profile of the ILEX route



to become a lawyer amongst those deciding their career options, their parents as well as careers advisers and the education community; and to raise awareness of ILEX and understanding of the skills and expertise of Legal Executives as qualified lawyers. National newspapers were targeted, as well as the mainstream consumer press. Resulting coverage featured in a wide range of national newspapers; women's press; specialist and general interest magazines; as well as BBC radio and television. Overall such ILEX stories reached over 111 million people. This initiative will continue in 2010.

In early 2009, ILEX collaborated with the National Skills Forum for a report on women, skills and productivity entitled 'Closing the Gender Skills Gap'. This was launched by Gordon Marsden MP, a member of Parliament's Innovation, Universities and Skills Select Committee. Former ILEX President Lesley Graham featured as a case study within the report and consequently appeared on the popular GMTV programme to talk about her personal experience of successfully juggling motherhood and a career.

During the year ILEX circulated 40 external press releases to a wide range of national and regional journalists, and the legal press. As a result, specialist coverage was secured in legal and educational magazines and websites.

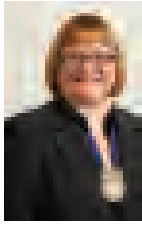
### Events

Our Communications and Marketing team, in collaboration with the Judicial Appointments Commission (JAC) and our Corporate Affairs team, hosted five workshops which were attended by over 200 members keen to find out first hand the qualities needed for a successful judicial appointment, and information about the application and selection processes. They were also responsible for the organisation of the Annual Presidential Luncheon at the Commonwealth Club. This was attended by 122 people, with the Rt. Hon. Sir Igor Judge, the new Lord Chief Justice for England and Wales, joining us as keynote speaker. A number of Parliamentarians from all parties also attended.

Finally, I thank everyone in the ILEX Group for a remarkable year. Staff worked to very tight financial constraints with a freeze on recruitment, yet we have met all our targets and turned a budgeted deficit into a financial success.

**Diane Burleigh**  
Chief Executive





**Judith Gordon-Nichols** F.Inst.L.Ex.

## Message from the President

2009 was a watershed year in the life of ILEX and its members as two of our longest-held ambitions came to fruition: partnership within law firms and the right to apply for judicial appointment.

We now have dozens of Legal Executives appointed as partners in legal disciplinary practices, from the smallest provincial practices to some of the biggest commercial firms in the City of London. We have been working with the Judicial Appointments Commission (JAC) to encourage Fellows to apply for judicial appointments, and that is now bearing fruit. I am confident that we will soon see the first Legal Executive judge. Likewise, with the number of Legal Executive Advocates also growing, I hope it will not be long before a Legal Executive Advocate appears before a Legal Executive judge.

As our Advocates demonstrate, this has also been a year where we have consolidated the good work of previous years. ILEX Professional Standards (IPS) has taken over the regulation of our profession with confidence and a clear vision. It has worked closely with the Institute to ensure members are subject to proportionate and intelligent regulation.

Other internal developments have also progressed smoothly. The new membership grades are now in place and most members seem very content with them – Associate members in particular are pleased with the recognition of their contribution. Despite the odd expected glitch, the introduction of the new Level 3 and Level 6 qualifications has gone superbly. Associate Prosecutors have been integrated into the membership and scored well in the Crown Prosecution Inspectorate's review of advocacy. The Legal Executive Journal was named Best Magazine of the Year in the Professional Association/Royal College category at the 2009 MemCom awards, while our new main website has greatly improved our communication with both members and the outside world.

To judge by many of the events I attended in recent months, such as the ILEX South Wales branch dinner and the celebration of the ILEX Leicestershire branch's 50th anniversary, our regional network is in good health, although I do hope that more members take up the opportunity to meet and network with other Legal Executives. We opened branches in Surrey, Norfolk, Devon and Cornwall, and have more in the pipeline.

The profile of ILEX continues to rise – our press strategy generated coverage in the national media with an estimated

value of nearly one million pounds. The Lord Chief Justice, Lord Judge, was guest of honour at the 2009 President's Luncheon, and in recent months I have had the pleasure of meeting other senior judges, such as the Master of the Rolls, Lord Neuberger, as well as the Lord Chancellor and Secretary of State for Justice Jack Straw, Attorney General Baroness Scotland QC, Baroness Prashar, chairwoman of the JAC, and David Edmonds, chairman of the Legal Services Board (LSB) among others. Our opinion is sought and listened to.

We were pleased to engage with the Government initiative on social mobility and access to the professions. The 'Fair Access to the Professions' consultation enabled us to celebrate the open access to a legal career that ILEX has been offering for almost 50 years. ILEX now has a place on the Regulatory and Governance Committee of the resulting Gateways to the Professions Committee. We are, after all, one of the most diverse groups of lawyers. ILEX has much to offer the legal profession and the judiciary, and we will continue to make our case. This was also evidenced by the many consultations to which ILEX responded over the year, both on law reform issues and on the development of the new legal market under the LSB.

ILEX continues to broaden its horizons by offering the security of the Legal Executive course and qualification in other countries. With centres now across the Caribbean, in Malta and Cyprus, in 2009 we signed an agreement with the Chinese University of Hong Kong to offer a joint Diploma in Legal Executive studies, and the first students have now commenced the course. I am delighted that ILEX Tutorial College is playing a key role in this venture.

These and other advances have come against a backdrop of very difficult economic times for many of our members, and ILEX has been conscious both to offer help to those who have lost their jobs and to ensure that the services we provide deliver value for money. Budgets at Kempston have been kept under close control, to the extent that an expected deficit in 2009 became a healthy surplus.

May I once again express my thanks to staff and my fellow Council members, who have steered ILEX so well through a challenging but rewarding and successful year.

**Judith Gordon-Nichols** F.Inst.L.Ex.  
President





Alan Kershaw Chair

## ILEX Professional Standards Ltd (IPS)

During its first full year of operation, ILEX Professional Standards Ltd (IPS) has made good progress against the key objectives it set for itself. It has:

- Completed its governance arrangements, ensuring that the Board of Directors and staff work to open and ethical standards and in close collaboration with ILEX and its Council.
- Set in place a three-year strategy and business plan and kept the business plan under review during the year.
- Submitted applications to the Ministry of Justice (MoJ) for new rights relating to litigation, probate and the work of Associate Prosecutors. However, the advent of the Legal Services Act 2007 has meant the applications have had to transfer over to the new approval procedures.
- Revised the Investigation, Disciplinary and Appeal Rules and Code of Conduct. The rules are in operation and new panels of adjudicators have been appointed. Work is well advanced on a document setting out indicative guidance to support the panels in their decisions on complaints and other information about ILEX members.
- Consulted on the new Code of Conduct, which is now with the LSB for final approval.
- Established a clear and independent image through a new website and associated stationery and publications.

IPS is working with the ILEX Awards Department to redefine the experience criteria (qualifying employment) for Fellowship. This important work will continue during 2010. We will be looking for proportionate mechanisms so that we can be confident that Fellows are competent practitioners at qualification, and to ensure they remain competent as they progress through their careers.

### Regulation

IPS remains responsible for the advocacy qualification scheme. Another 26 ILEX Fellows completed the advocacy qualification during the year, the majority as criminal practitioners, the remainder specialising in family work. IPS contributed to the work being led by the Legal Services Commission on advocacy quality assurance. It is now a member of the Joint Advocacy Group (JAG), playing a full part alongside the Bar Standards Board and the Solicitors Regulation Authority. A consultation was published at the end of 2009 on advocacy standards in criminal proceedings. The JAG will be responsible for developing proposals for quality assurance of advocacy standards in 2010.

IPS, like ILEX, has committed a lot of resources to working with the new LSB and, more recently, the Legal Ombudsman's Office. We have submitted responses to 22 consultations by the LSB, ombudsman and other stakeholders, and have also been heavily involved in a wide range of meetings with the LSB and other stakeholders.

Whilst the important work of revising the complaints and disciplinary rules and the Code of Conduct was under way, the office continued to manage prior conduct declarations and complaints submitted by or made about ILEX members. I am happy to report that the number of complaints remains low. Eighteen cases of allegations of misconduct were considered by the Investigating Committee. The committee referred four cases to the Disciplinary Tribunal. In five cases, the committee used its disciplinary powers.

One of the consequences of introducing complaints and disciplinary rules was that the Investigating Committee, in its present form, came to an end at the end of 2009. I am grateful to all the members of the committee for the work they have contributed over the years. The prompt and effective attention given to complaints-handling made for a smooth transition to the new arrangements, in the hands of the Professional Conduct Panel. The independent members of the Investigating Committee will continue to work as part of the new structures. However, ILEX Council members who provided the professional element of the Investigating Committee were not permitted to transfer to the new structures. I would like to express my thanks to those Council members who have served the Investigating Committee and the Disciplinary and Appeal bodies for the care which they have taken to ensure that cases against members are dealt with fairly and properly, and that proper consideration has been given to the interests of complainants and the public.

Looking forward to 2010, IPS will:

- Sign off the dual certificate of compliance with the internal governance rules established by the LSB under the Legal Services Act (2007). This requires ILEX and IPS to demonstrate that the legislative requirement for separation of regulatory and representative activities has been met and that IPS has the resources necessary to fulfil its regulatory functions. The protocols agreed between ILEX and IPS at the beginning of 2009 have provided an excellent framework for this to be achieved, and a complementary service level agreement – shortly to receive formal approval – will complete the work.
- Complete work on experience criteria for Fellowship.
- See applications for the new practice rights through to approval by the LSB and implementation of the qualification schemes. This is vital if members are to take advantage of the new landscape for legal services which will start to unfold in 2011.
- Make progress with regulatory and other issues that face ILEX in order to become a licensing authority to regulate alternative business structures.
- Review ILEX CPD requirements to ensure that ILEX practitioners are able to maintain their competence and improve throughout their careers, in the public interest.

**David McGrady** F.Inst.L.Ex.

## Corporate Affairs, Equality & Diversity

### Departmental Activities

The Corporate Affairs team has been delivering a wide range of projects throughout 2009 in support of the Group's strategic objectives, in particular:

- Modernising our governance structures to support the new membership grades and changes to our rules.
- Business continuity planning and risk management.
- On behalf of members, managing our relationship with ILEX's regulatory company, ILEX Professional Standards (IPS), and other approved regulators in the legal sector.
- Representing the Institute and our members through a range of sector advisory groups, review boards and panels.
- Delivering a series of national workshops on judicial appointments.
- Leading on equality and diversity activities in line with our Group Action Plan and Scheme.
- Representing members' views and the public interest through consultation responses.
- Sponsoring National Pro Bono Week and other activities in this area.
- Winning the MemCom Award for Best Magazine – Professional Association/Royal College for our Legal Executive Journal.
- Re-launching the Journal website.

### Equality and Diversity

Since its inception in December 2008, we have focused on delivering against our objectives within the ILEX Group Single Equality and Diversity Scheme and Action Plan. We are pleased to report that equality and diversity objectives have been embedded into strategic and personal objectives, and will be reviewed annually. We have 12 staff Diversity Champions, who meet on a regular basis to review progress against the action plan and to discuss new ideas and areas of interest.

We continue to monitor the diversity of our staff, customers and stakeholders, and have enabled this to be captured through the members' area of our website. A staff survey early in the year included questions on equality and diversity, the results of which were very positive. ILEX has also been re-accredited for the disability symbol Two Ticks, meaning we are 'positive about disabled people'.

ILEX continues to provide opportunities for everyone to access a rewarding career in the law. We promote the ILEX route to all to encourage a more diverse legal profession and to help individuals from all backgrounds to fulfil their ambitions. Our 'Fair Access to the Professions' response acknowledged the diversity of our membership and the truly accessible route we offer to those pursuing a career in law.

**Nick Hanning** F.Inst.L.Ex.

## Pro Bono

### Pro Bono

The ILEX Pro Bono Forum was established in 2002 and consists of ILEX Council members, ILEX members and ILEX officers. The aims of the Forum are to encourage members to participate in pro bono work, support those members already involved with pro bono work and to highlight pro bono work by ILEX members.

The ILEX Pro Bono Forum had a busy year in 2009. The Forum co-sponsored National Pro Bono Week and the Joint National Pro Bono Conference, both of which took place in November 2009. National Pro Bono Week promotes and highlights pro bono activities that are taking place across the profession. The conference aims to bring together all members of the legal profession, volunteers, academics and students to discuss current issues in pro bono. In 2009, around 220 delegates attended the conference.

### JIB Scheme

The Joint ILEX Pro Bono Forum and Bar Pro Bono Unit Scheme (the JIB Scheme) allocates a suitable ILEX volunteer to work alongside a Bar Pro Bono Unit barrister to provide the services needed for the case. This may be as straightforward as sorting out material papers, or as demanding as conducting face-to-face negotiations.

During 2009, the ILEX Pro Bono Forum was able to complete the essential preparatory steps to enable the JIB Scheme to commence on a pilot basis, with a view to formal launch in early 2010.

### Pro Bono Medal

Each year the Forum awards the annual Pro Bono Medal to an outstanding ILEX member who has given generously of their time and expertise on an unpaid basis outside of their employment. Kindly sponsored by Peverel Management Services, the winner receives a commemorative trophy, certificate and a cheque for £750 to be donated to a charity of the winner's choice. The winner of the 2009 medal was Tony Dolbear, who donated his prize to Julia's House, the Dorset Children's Hospice in Poole.



**Larry Shaw** F.Inst.L.Ex. **Mary French** F.Inst.L.Ex.

# Law Reform

ILEX has long recognised the importance of the role of law reform in developing and promoting its interests and the interest of its members. More recently, however, the government has also recognised law reform as an important 'public interest' activity which is now performed by all the legal professional bodies (under section 51 of the Legal Services Act 2007).

ILEX's law reform activities fall under the remit of the Corporate Affairs department. A necessary part of developing and promoting the interests of ILEX and its members is the need to influence government policy and decision-makers so that proposed policies do not have a detrimental impact on ILEX and its members. To this end, ILEX has continued to inform government departments, MPs and peers about matters of concern to ILEX and its members through:

- Submitting regular consultation responses (over 20 responses were submitted in 2009).
- Responding to calls for evidence.
- Briefings.
- Monitoring draft bills and briefing papers.
- Engaging with and representing ILEX on public sector advisory boards and forums.
- Regular meetings with other approved regulators.

The views of members are essential for law reform purposes. Not only does this assist in facilitating an informed response to consultations by the use of evidence from members at the 'coal face' of practice, but they also help to inform policy. To this end, comments are encouraged via the Legal Executive Journal, the ILEX website and targeted e-mails.

ILEX is represented on the Judicial Appointments Commission's diversity forum, the Police and Criminal Evidence Act strategy board, and soon will also be a consultative body, alongside the Law Society and Bar Council, for the purposes of the legal aid criminal defence contract, to ensure that the voice of our criminal advocates is heard. This will supplement the work of the legal aid working party so that ILEX can continue to promote our views on the importance of legal aid and access to justice issues in both criminal and civil work.

The alternative business structures (ABSs) model represents a market-led approach to the provision of legal services. A joint response from ILEX and IPS to the Legal Services Board's consultation on developing a regulatory structure for ABSs pointed out that the legal services market does not have a significant history of financial failure, even in difficult economic times. The impact on the consumer of the failure

of a two-partner small high street practice is small; the failure of a nationwide supermarket legal services business is far more considerable. Nevertheless, alternative sources of financing and involvement of a wider range of service providers may lead to some additional resilience within the sector. Liberalising the market for legal services will introduce new challenges in terms of consumer protection.

The forthcoming year may well see fundamental changes to the civil costs regime. Lord Justice Jackson's much-anticipated final report on civil litigation costs, published in January 2010, potentially affects almost every area of civil litigation. ILEX will continue to monitor the progress of the recommendations; and where necessary highlight aspects of the changes that may impact on access to justice issues, to the detriment of consumers, as it heads towards implementation.

We are very conscious that our law reform activities are not just in the best interests of ILEX and our members, but also in the public interest. Our members recognise and appreciate this.



**Judith Gordon-Nichols** F.Inst.L.Ex.

# Awards, Performance & Strategy Committee

## **New professional qualifications**

The dual running of both former and new Level 3 and Level 6 professional qualifications ensured that this continued to be another busy year for the Awards team and involved over 80 external assessment personnel. Work has also included delivering training events for accredited centres and new assessors.

The final examinations for both former Level 3 and Level 6 professional qualifications took place in October 2009. They were supported by an effective plan of transitional arrangements which provided guidance to students to enable them to complete their studies.

During the year, the Awards team also delivered the two new flexible, unitised and credit-ready qualifications: the Level 3 Professional Diploma in Law and Practice launched in September 2008; and the Level 6 Professional Higher Diploma in Law and Practice launched in September 2009. Both qualifications are accredited by the Office of the Qualifications and Examinations Regulator (Ofqual) to the new Qualifications and Credit Framework (QCF).

The new Level 3 Professional Diploma in Law and Practice qualification requires students to complete ten units, taken from eight law units, seven practice units and two professional skills units. This is being delivered in over 90 accredited centres. ILEX is encouraged that, during the first two Level 3 Professional Diploma in Law and Practice exam sittings in 2009, over 8,500 units were assessed.

The flexibility of the Level 6 professional qualification is illustrated in the suite of three pathways available to students:

- The Professional Higher Diploma in Law and Practice (the final academic stage towards becoming a Legal Executive lawyer) requires completion of six units, chosen from 23 units in law, practice and professional skills.
- The Single Subject Certificate recognises students' achievements in a specific area of law, legal practice or skills.
- The Graduate Fast-Track Diploma provides opportunities for law graduates to achieve access to ILEX membership by completing a combination of two practice and one professional skills unit in client care. The ability to complete their academic studies through ILEX offers a very attractive and affordable route to becoming a qualified lawyer.

The Level 3 and Level 6 qualifications, in particular the new innovative professional skills units, have been well received by stakeholders, including students, employers and centres.

## **Quality assurance**

Following a 2008 review of ILEX's management information system and awards quality assurance procedures, 2009 saw the operation of three new quality assurance committees, including the Awards, Performance and Strategy Committee. This committee, which meets twice a year, has an oversight role, supporting the delivery of the new qualifications and to ensure compliance with Ofqual's regulations.

The Awards team continues to monitor the funding status of the new qualifications and to provide up-to-date information to stakeholders. Discussions continue with the Solicitors Regulation Authority regarding its training framework review.

The revision of the ILEX exemption policy to support the new professional qualifications has been successful and links in to the new unitised framework to encourage recognition of other legal qualifications.

The Awards team also completed a review of ILEX criteria for the approval of accredited centres.

ILEX continues to work towards full status as a Component Awarding Body for the new Diploma in Business, Administration and Finance. This diploma will be delivered mainly in schools and may enable a wider range of students to access units on the Level 3 Professional Diploma in Law and Practice.

Other strategic work, which is supported by a new three-year strategic plan, has included the embedding of an ILEX Customised Awards service. This recognises employer accreditation and in-house training, together with the development of new models for qualifying employment and work-based learning. The Awards team will also continue to embed and review the new qualifications.

## **ILEX Legal Secretary and Paralegal Programmes**

The partnership with City & Guilds in the UK continues to prosper, with student numbers remaining strong. Both the Legal Secretaries and the Legal Studies programmes have now been unitised and are accredited by Ofqual and the QCF.

Apart from City & Guilds, the number of overseas centres continues to grow, with an increasing number of students in the Caribbean following the programmes.

**Nick Hanning** F.Inst.L.Ex.

## Finance

### **The Annual Report for Accounts to 31 December 2009**

The accounts for the year ending 31 December 2009 once again show a considerably better performance than expected, with the budgeted deficit of £140,000 converted into a pre-tax surplus of just under £500,000.

Key factors in this included savings achieved by bringing the production of various materials in-house, a wage and recruitment freeze, higher-than-expected demand for Level 3 assessments, and an excellent performance from ILEX Tutorial College (ITC) in spite of the continuing difficult trading conditions.

The achievement of such a strong financial performance without compromising on the high quality of service is hugely to the credit of the management and staff at ILEX.

The challenges ahead should not be underestimated. The positioning of ILEX as the legal regulator of choice requires crucial and demanding work, as will the applications for additional practice rights and the evolution into a licensing body for alternative business structures.

This will require an increase in budgeted expenditure over the next few years, but the Council has been working towards this position over several years and, with prudence and foresight, has built up reserves for this purpose. The continued setting of deficit budgets reflects necessary and predicted expenditure outside normal annual revenue, and our strategy to ensure ILEX continues to provide excellence at every level to both our members and those they serve.

**Noel Inge** Managing Director

## ILEX Tutorial College (ITC)

### **ILEX Tutorial College (ITC)**

Although 2009 was a difficult year for ILEX Tutorial College (ITC), prudent control of costs coupled with vigorous marketing and promotion ensured a good financial end-of-year performance.

Particular highlights of 2009 included the smooth introduction of courses in support of the new Level 6 qualification, and the successful first-year delivery of courses for the new Level 3 unitised qualification.

The remodelled courses now include built-in face-to-face revision sessions that will be hosted in three venues across the country. ITC's Academic Team has been particularly active in delivering increased numbers of inductions days, which we believe is a major factor in ensuring students gain a good start to their studies.

ITC's biennial student survey confirmed that students appreciate our commitment to course development and customer service, with satisfaction ratings improving slightly on already very high approval levels.

ITC's commercial activities were affected by the economic downturn, but our De Montfort University and criminal justice course business fared much better than we had anticipated.

The year saw the introduction of ITC's customer loyalty scheme. This has been welcomed by firms, which have found it very helpful when deciding how to spend reduced training budgets.

The first cohort of students for the Hong Kong Professional Diploma in Legal Executive Studies have commenced their course. Our partner, Chinese University School of Continuing and Professional Studies, is very pleased with the results of the partnership.



# Report of the Council

The Council have pleasure in presenting their report and the financial statements of the ILEX Group for the year ended 31st December 2009.

## CONSTITUTION

The Institute of Legal Executives (“the Institute”) is a company limited by guarantee and is governed by its memorandum and articles. The Institute is the sole shareholder of a number of wholly owned subsidiary companies, which together with the Institute form the ILEX Group (the Group).

## COUNCIL MEMBERS & DIRECTORS

The Council of the Institute are also its directors for the purposes of the Companies Act and throughout this report are collectively referred to as the Council. The business of the Institute is managed by the Council.

Council consists of up to not more than 27 Fellows elected as constituency members and six Fellows elected as specialist members.

## MEMBERSHIP OF THE INSTITUTE

The members of the Institute are Fellows. A Fellow is a person admitted to membership of the Institute in accordance with the provisions of the articles of association. The Council members are therefore also members of the Institute.

## PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Group during the year was that of being the professional body for Legal Executive lawyers.

The Group had another successful year and is in a sound financial position.

## RESULTS

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.

## FIXED ASSETS

The main fixed assets of the Group are the freehold and leasehold properties comprising Kempston Manor, ILEX Court and College House and the surrounding land.

The Council are of the opinion that there is no significant difference between the market value and the book value of the land and buildings.

## COUNCIL AND THEIR INTERESTS

None of the Council had interests in the share capital or debentures of the Group at any time during the year.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Council are aware:

- there is no relevant audit information of which the Group’s auditor is unaware; and
- the Council 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

Collett Hulance LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

## STATEMENT OF COUNCIL’S RESPONSIBILITIES

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

Company law requires the Council to prepare financial statements for each financial year. Under that law the Council have elected to prepare the financial statements in accordance with International Financial Reports Standards (IFRSs) as adopted by the European Union and applicable law.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Group’s financial position, financial performance and cash flows. This requires faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out on the International Accounting Standards Board’s ‘Framework for the Preparation and Presentation of Financial Statements’. In virtually all situations, a fair presentation will be achieved by complying with all applicable IFRSs. In preparing these financial statements, the Council are also required to:

- select suitable accounting policies and then apply them consistently;
- 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 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group’s financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Council 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 the Companies Act 2006 and Article 4 of the IAS Regulation. 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 Council are 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.

The Council have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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Approved by the Council on 19 March 2010  
and signed on its behalf by:

**Mrs D Burleigh**  
Chief Executive



# Independent Auditor's Report



We have audited the financial statements of the Institute of Legal Executives Group for the year ended 31 December 2009 which comprise the Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Institute's members, as a body, in accordance with section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Institute's members those matters we are required to state to them in an auditors' 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 Institute and the Institute's members as a body, for our audit work, for this report or for the opinions we have formed.

## RESPECTIVE RESPONSIBILITIES OF COUNCIL AND AUDITORS

As explained more fully in the Statement of Council's Responsibilities, set out on page 12, the Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## SCOPE OF THE AUDIT OF THE FINANCIAL ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Institute's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements.

## BASIS OF OPINION

We conducted our audit work in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in preparation of the financial statements, and of whether the accounting policies are appropriate for the Institute's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Institute's affairs as at 31 December 2009 and of its surplus for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Report of Council for the financial year for which the financial statements are prepared is consistent with the financial statements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

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Lynden Philip Richardson FCCA (Senior Statutory Auditor)

For and on behalf of:

**Collett Hulance LLP**

Chartered Certified Accountants

& Registered Auditors

40 Kimbolton Road

Bedford

MK40 2NR

## Consolidated Income Statement

	Notes	2009	2008
		£	£
Revenue		6,464,152	6,418,244
Employee expenses	4	(3,252,244)	(3,199,133)
Depreciation and amortisation		(179,189)	(180,301)
Impairment losses		–	(37,034)
Other operating expenses		(2,789,684)	(3,314,781)
<b>OPERATING SURPLUS/(DEFICIT)</b>	5	<b>243,035</b>	<b>(313,005)</b>
Income from investments	6	248,929	424,571
<b>SURPLUS BEFORE TAX</b>		<b>491,964</b>	<b>111,566</b>
Taxation	7	(72,318)	(52,444)
<b>SURPLUS FOR THE YEAR</b>		<b>419,646</b>	<b>59,122</b>

All activities of the Group are classed as continuing.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own income statement.

The notes from pages 18 to 28 form part of these financial statements.



For the year ended 31 December 2009

## Consolidated Statement of Changes in Equity



	Retained earnings	Retained earnings
	2009	2008
	£	£
Balance at 1 January	7,205,751	7,146,629
Surplus for the year	419,646	59,122
Total recognised income for the year	419,646	59,122
Balance at 31 December	7,625,397	7,205,751

The notes from pages 18 to 28 form part of these financial statements.

# Consolidated Statement of Financial Position

	Notes	2009	2008
		£	£
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	8	2,156,246	2,253,483
Intangible assets	9	42,460	28,010
Investments in subsidiaries at cost	10	101	102
		2,198,807	2,281,595
<b>Current Assets</b>			
Inventories	13	27,712	28,740
Trade and other receivables	14	153,794	209,817
Prepayments	15	287,362	227,314
Cash and cash equivalents	16	7,462,661	6,568,728
		7,931,529	7,034,599
<b>Total Assets</b>		<b>10,130,336</b>	<b>9,316,194</b>
<b>EQUITY</b>			
<b>Issued capital and Reserves</b>			
Retained funds		7,625,397	7,205,751
<b>Non Current Liabilities</b>			
Deferred tax payables	17	7,441	151
<b>Current Liabilities</b>			
Deferred income		1,027,942	665,812
Tax payables		87,566	40,594
Trade and other payables	18	1,381,990	1,403,886
		2,497,498	2,110,292
<b>Total Equity and Liabilities</b>		<b>10,130,336</b>	<b>9,316,194</b>

Approved by the Council on 19 March 2010 and signed on its behalf by:

J Gordon-Nichols  
President

N Hanning  
Portfolio holder for finance

Company registration number: 00235139

The notes from pages 18 to 28 form part of these financial statements.

For the year ended 31 December 2009

# Consolidated Cash Flow Statement



	2009	2008
	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total operating surplus	419,646	59,122
<b>Adjustments to Reconcile to Surplus from Operations</b>		
Interest income	(248,929)	(424,571)
Taxation expense	94,856	52,444
Tax credit	(22,538)	–
<b>Adjustments to Reconcile to Surplus from Operations</b>	<b>(176,611)</b>	<b>(372,127)</b>
	<b>243,035</b>	<b>(313,005)</b>
<b>Non-Cash Adjustments</b>		
Depreciation	164,221	168,388
Amortisation of other intangible non-current assets	14,968	11,913
Impairment losses on property, plant and equipment	–	37,034
Gain/(loss) on derecognition of NCA not held for sale on property, plant and equipment	(10,069)	(18,740)
<b>Non-Cash Adjustments</b>	<b>169,120</b>	<b>198,595</b>
<b>Cash Flows before Changes in Working Capital</b>	<b>412,155</b>	<b>(114,410)</b>
<b>Increase in Working Capital</b>		
Decrease in inventories	1,028	9,756
Decrease/(Increase) in trade and other receivables	56,023	(49,478)
(Increase)/Decrease in prepayments	(60,048)	15,633
Decrease in trade and other payables	(143,911)	(67,313)
Increase in deferred income	362,130	248,759
Increase/(Decrease) in accruals	122,015	(28,490)
<b>Increase in Working Capital</b>	<b>337,237</b>	<b>128,867</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>749,392</b>	<b>14,457</b>
<b>Cash Flows used in Other Operating Activities</b>		
Taxes refunded	21,785	–
Taxes paid	(39,841)	(128,851)
<b>Cash Flows Used in Other Operating Activities</b>	<b>(18,056)</b>	<b>(128,851)</b>
<b>Net Cash Flows From/(Used in) Operating Activities</b>	<b>731,336</b>	<b>(114,394)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments to acquire property, plant and equipment	(90,264)	(193,359)
Payments to acquire intangible assets	(29,418)	(4,825)
Payments to acquire subsidiaries	–	(1)
Receipts from sale of property, plant and equipment	33,350	33,860
Interest received, classified as investing	248,929	424,571
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>162,597</b>	<b>260,246</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>893,933</b>	<b>145,852</b>
Cash and cash equivalents as at 1 January 2009	6,568,728	6,422,876
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2009</b>	<b>7,462,661</b>	<b>6,568,728</b>

The notes from pages 18 to 28 form part of these financial statements.

# Notes to the Consolidated Financial Statements

## 1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS'S

The Group's financial statements for the year were authorised for issue on 19 March 2010 and the consolidated statement of financial position signed on the Council's behalf by Miss J Gordon-Nichols and Mr N Hanning. The Institute of Legal Executives is a limited company incorporated and domiciled in England & Wales.

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Group are set out in note 2.

## 2. ACCOUNTING POLICIES

### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. All such revenue is reported net of discounts and value added and other sales taxes.

### Distance learning course income

Revenue is recognised when students book their courses except where an element of the course is in respect of a revision session to be taken in a future accounting period in which case the revenue is deferred.

### Subscriptions and exam fee income

Subscriptions and exam fee income is recognised on a received basis except where monies are received in respect of the following accounting period in which case they are shown as deferred income.

### Advertising revenue

Advertising revenue is recognised by reference to stage of completion of each contract.

### Interest income

Interest income is accrued on a time basis and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### 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 the statement of financial position 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 surplus or deficit 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

The taxation charge represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense



that are taxable or deductible in other tax 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 statement of financial position date.

### 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.

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

Long leasehold property	Over the life of the lease
Freehold property	2% on cost
Motor vehicles	25% on cost
Fixtures and fittings	10%/20% on reducing balance/on cost
IT equipment	25% on reducing balance/on cost

### Intangible assets

#### *Other non-internally generated 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.

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 basis:

Software 25% on reducing balance/on cost.

### Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are determined on a first in first out basis and comprise purchase cost, cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 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 bad.

Other receivables are recognised at fair value.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. Short term deposits are defined as deposits with an initial maturity of fifteen months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the consolidated statement of cash flows.

### 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 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 liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at each consolidated statement of financial position 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 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.

### Operating lease commitments

Operating lease payments are recognised as an expense in the consolidated income statement on a straight-line basis over the lease term.

**3. SEGMENT INFORMATION**

	Year ended 31 December 2009							
	Distance learning courses	Membership	Awards & International	Journal	Regulatory	Other operations	Unallocated	Total
	£	£	£	£	£	£	£	£
<b>Revenue</b>								
Sales to external customers	2,357,069	2,127,018	1,409,361	141,575	427,572	1,557	-	6,464,152
<b>Results</b>								
Segment results	334,419	1,509,039	(55,142)	(319,713)	-	(1,225,568)	-	243,035
Other non-operating income	-	-	-	-	-	-	248,929	248,929
	334,419	1,509,039	(55,142)	(319,713)	-	(1,225,568)	248,929	491,964
Taxation	-	-	-	-	-	-	(72,318)	(72,318)
Surplus for the year	334,419	1,509,039	(55,142)	(319,713)	-	(1,225,568)	176,611	419,646
<b>Assets and liabilities</b>								
- Segment assets	7,531,144	-	-	-	-	-	-	7,531,144
- Unallocated assets	-	-	-	-	-	-	2,599,192	2,599,192
Total assets	7,531,144	-	-	-	-	-	2,599,192	10,130,336
- Segment liabilities	1,129,085	787,113	240,829	-	-	-	-	2,157,027
- Unallocated liabilities	-	-	-	-	-	-	340,471	340,471
Total liabilities	1,129,085	787,113	240,829	-	-	-	340,471	2,497,498



Year ended 31 December 2008

	Distance learning courses	Membership	Awards & International	Journal	Regulatory	Other operations	Unallocated	Total
	£	£	£	£	£	£	£	£
<b>Revenue</b>								
Sales to external customers	2,472,154	2,363,434	1,269,072	297,050	16,534	-	-	6,418,244
<b>Results</b>								
Segment results	93,023	1,746,662	(224,435)	(289,184)	(394,354)	(1,244,717)	-	(313,005)
Other non-operating income	-	-	-	-	-	-	424,571	424,571
	93,023	1,746,662	(224,435)	(289,184)	(394,354)	(1,244,717)	424,571	111,566
Taxation	-	-	-	-	-	-	(52,444)	(52,444)
Surplus for the year	93,023	1,746,662	(224,435)	(289,184)	(394,354)	(1,244,717)	372,127	59,122
<b>Assets and liabilities</b>								
- Segment assets	6,612,020	30,381	116,072	31,271	304	43,068	-	6,833,116
- Unallocated assets	-	-	-	-	-	-	2,483,078	2,483,078
Total assets	6,612,020	30,381	116,072	31,271	304	43,068	2,483,078	9,316,194
- Segment liabilities	1,153,975	535,466	158,816	15,496	4,935	83,183	-	1,951,871
- Unallocated liabilities	-	-	-	-	-	-	158,421	158,421
Total liabilities	1,153,975	535,466	158,816	15,496	4,935	83,183	158,421	2,110,292

#### 4. EMPLOYEE EXPENSES

	2009	2008
	£	£
Wages and salaries	2,757,452	2,736,590
Short term employee benefits	31,069	27,433
Post employment expense for defined contribution plans	160,800	134,988
Other employee benefits	36,581	39,696
Social security costs	266,342	260,426
	3,252,244	3,199,133

	2009	2008
	No.	No.
The average monthly number of employees during the year was made up as follows:		
Administration	102	103

#### 5. OPERATING SURPLUS

	2009	2008
	£	£
Operating surplus/(deficit) is stated after charging/(crediting) the following:		
Profit on disposal of property, plant and equipment	(10,069)	(18,740)
Depreciation of property, plant and equipment	179,189	180,301
Net foreign currency differences	2,089	(3,257)
Operating leases:		
Present value of minimum lease payments	52,107	53,999
Auditor's remuneration – audit services	37,528	32,420
	37,528	32,420





## 6. INCOME FROM INVESTMENTS

	2009	2008
	£	£
Interest earned on loans and deposits	248,929	424,571

## 7. TAXATION

### COMPONENTS OF TAX CHARGE

	2009	2008
	£	£
<b>Current tax charge</b>		
Current tax charge	87,566	40,594
Adjustments to current tax of prior period	(22,538)	-
Current tax charge	65,028	40,594
<b>Deferred tax charge</b>		
Relating to origination and reversal of temporary differences	7,290	11,850
Income tax charge reported in income statement	72,318	52,444

### RECONCILIATION OF TAX CHARGE TO ACCOUNTING SURPLUS

	2009	2008
	£	£
Tax at the current corporation tax rate of 28% (2008 21%)	137,750	23,429
Tax effect of non taxable revenues	(41,386)	40,015
Tax effect of capital allowances	(4,351)	(6,702)
Tax effect of non deductible expenses	(274)	1,081
Tax effect of change in tax rates	-	(486)
Tax effect of tutor reserve adjustment	-	(16,743)
Tax effect of marginal rate relief	(4,173)	-
Tax charge using effective rate	87,566	40,594

**8. PROPERTY, PLANT AND EQUIPMENT**

At 31 December 2009

	Freehold property	Long leasehold property	Motor vehicles	Fixtures and fittings	IT equipment	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2009	1,147,558	849,007	194,735	776,803	150,208	3,118,311
Additions	-	-	75,266	5,727	9,271	90,264
Disposals	-	-	(80,373)	-	-	(80,373)
At 31 December 2009	1,147,558	849,007	189,628	782,530	159,479	3,128,202
<b>Depreciation</b>						
At 1 January 2009	(134,113)	(148,406)	(76,062)	(399,904)	(106,343)	(864,828)
Disposals	-	-	57,093	-	-	57,093
Charge for year	(17,051)	(8,490)	(47,921)	(69,733)	(21,026)	(164,221)
At 31 December 2009	(151,164)	(156,896)	(66,890)	(469,637)	(127,369)	(971,956)
<b>Net book value</b>						
At 1 January 2009	1,013,445	700,601	118,673	376,899	43,865	2,253,483
At 31 December 2009	996,394	692,111	122,738	312,893	32,110	2,156,246

At 31 December 2008

	Freehold property	Long leasehold property	Motor vehicles	Fixtures and fittings	IT equipment	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2008	1,147,558	849,007	225,305	865,786	174,283	3,261,939
Additions	-	-	63,015	118,906	11,438	193,359
Disposals	-	-	(93,585)	(207,889)	(35,513)	(336,987)
At 31 December 2008	1,147,558	849,007	194,735	776,803	150,208	3,118,311
<b>Depreciation</b>						
At 1 January 2008	(117,062)	(139,916)	(101,330)	(504,868)	(118,097)	(981,273)
Disposals	-	-	78,464	174,438	31,931	284,833
Charge for year	(17,051)	(8,490)	(53,196)	(69,474)	(20,177)	(168,388)
At 31 December 2008	(134,113)	(148,406)	(76,062)	(399,904)	(106,343)	(864,828)
<b>Net book value</b>						
At 1 January 2008	1,030,496	709,091	123,975	360,918	56,186	2,280,666
At 31 December 2008	1,013,445	700,601	118,673	376,899	43,865	2,253,483



## 9. INTANGIBLE ASSETS

SOFTWARE	2009	2008
	£	£
<b>Cost</b>		
At 1 January	228,645	223,820
Additions	29,418	4,825
At 31 December	258,063	228,645
<b>Amortisation</b>		
At 1 January	(200,635)	(188,722)
Charge for the year	(14,968)	(11,913)
At 31 December	(215,603)	(200,635)
<b>Carrying value</b>		
At 1 January	28,010	35,098
At 31 December	42,460	28,010

## 10. INVESTMENTS IN SUBSIDIARIES

Name	Country of incorporation	% Ownership interest	% Voting rights
ITS (Law Tutors) Limited	United Kingdom	100	100
Legal Executive Training Limited	United Kingdom	100	100
ILEX Publishing and Advertising Services Limited	United Kingdom	100	100
ILEX (Paralegal Training) Limited	United Kingdom	100	100

## 11. FINANCIAL INSTRUMENTS

	Carrying amount		Fair value	
	2009	2008	2009	2008
	£	£	£	£
<b>Financial assets</b>				
Cash and cash equivalents	7,462,661	6,568,728	7,462,661	6,568,728
Trade and other receivables	139,909	202,695	139,909	202,695
<b>Financial liabilities</b>				
Trade and other payables	(218,457)	(173,349)	(218,457)	(173,349)

## 12. RELATED PARTY TRANSACTIONS

### SUBSIDIARIES

The consolidated financial statements include the financial statements of the Institute of Legal Executives and the subsidiaries listed in the following table, all other subsidiaries are dormant.

Name	Principal activity	Country of incorporation	% Interest 2009	% Interest 2008
ILEX Tutorial College Limited	the provision of study manuals and courses for examinations in law	United Kingdom	100	100
ILEX Professional Standards Limited	to perform duties as the independent regulators of members of the Institute	United Kingdom	100	100

### KEY MANAGEMENT COMPENSATION

	2009	2008
	£	£
Wages and salaries	198,413	201,061
Post employment benefits: Defined contribution	15,718	15,324
Social security costs	23,965	24,349
Benefits in kind	18,512	20,770
	<u>256,608</u>	<u>261,504</u>

## 13. INVENTORIES

	2009	2008
	£	£
Publicity goods (At cost)	–	531
Coursebooks and manuals (At cost)	7,619	10,790
Stationery (At cost)	20,093	17,419
	<u>27,712</u>	<u>28,740</u>



## 14. TRADE AND OTHER RECEIVABLES

	2009	2008
	£	£
Receivable from trade customers	139,909	202,695
Tax receivables	13,885	7,122
	<u>153,794</u>	<u>209,817</u>

Amounts receivable from trade customers are non-interest bearing and are generally on 30-90 day terms.

## 15. PREPAYMENTS

	2009	2008
	£	£
Current Prepayments	<u>287,362</u>	<u>227,314</u>

## 16. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 December 2009.

	2009	2008
	£	£
Cash on hand	1,500	1,500
Cash at bank	1,380,989	216,067
Short-term deposits	6,080,172	6,351,161
	<u>7,462,661</u>	<u>6,568,728</u>

## 17. DEFERRED TAX

	Statement of Financial Position		Income statement	
	2009	2008	2009	2008
	£	£	£	£
Deferred tax liabilities				
Relating to depreciation	<u>(7,441)</u>	<u>(151)</u>	7,290	11,850

## 18. TRADE AND OTHER PAYABLES

	2009	2008
	£	£
Payable to trade suppliers	218,457	173,349
Other payables	279,389	445,913
Accrued liabilities	721,568	599,553
Tax payable	162,576	185,071
	<u>1,381,990</u>	<u>1,403,886</u>

## 19. OPERATING LEASE COMMITMENTS

At 31 December 2009 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2009	2008
	£	£
Less than one year	52,472	51,476
Later than one year but less than five years	110,938	163,410
	<u>163,410</u>	<u>214,886</u>

As at 31 December 2009

# Company Statement of Financial Position



	Notes	2009	2008
<b>ASSETS</b>		£	£
<b>Non Current Assets</b>			
Property, plant and equipment	20	1,319,040	1,366,230
Intangible assets	21	11,361	13,810
Investments in subsidiaries at cost	22	620,400	620,400
		<u>1,950,801</u>	<u>2,000,440</u>
<b>Current Assets</b>			
Inventories	25	2,973	4,741
Trade and other receivables	26	979,434	277,283
Prepayments	27	174,420	191,374
Cash and cash equivalents	28	1,024,441	1,065,337
		<u>2,181,268</u>	<u>1,538,735</u>
<b>Total Assets</b>		<u>4,132,069</u>	<u>3,539,175</u>
<b>EQUITY</b>			
<b>Issued Capital and Reserves</b>			
Retained funds		2,763,653	2,582,856
<b>Current Liabilities</b>			
Deferred income		1,027,942	665,812
Tax payables		2,779	15,479
Trade and other payables	30	337,695	275,028
		<u>1,368,416</u>	<u>956,319</u>
<b>Total Equity and Liabilities</b>		<u>4,132,069</u>	<u>3,539,175</u>

Approved by the Board on 19 March 2010 and signed on its behalf by:

Ms J Gordon-Nichols  
President

Mr N Hanning,  
Portfolio holder for finance

Company registration number: 00235139.

The notes from pages 30 to 33 form part of these financial statements.

# Notes to the Company Financial Statements

## 20. PROPERTY, PLANT AND EQUIPMENT

	At 31 December 2009				
	Freehold property	Motor vehicles	Fixtures and fittings	IT equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2009	1,147,558	149,078	298,818	72,020	1,667,474
Additions	-	49,200	5,162	7,021	61,383
Disposals	-	(49,711)	-	-	(49,711)
At 31 December 2009	1,147,558	148,567	303,980	79,041	1,679,146
<b>Depreciation</b>					
At 1 January 2009	(134,113)	(57,781)	(70,710)	(38,640)	(301,244)
Disposals	-	40,406	-	-	40,406
Charge for year	(17,051)	(36,879)	(28,660)	(16,678)	(99,268)
At 31 December 2009	(151,164)	(54,254)	(99,370)	(55,318)	(360,106)
<b>Net book value</b>					
At 1 January 2009	1,013,445	91,297	228,108	33,380	1,366,230
At 31 December 2009	996,394	94,313	204,610	23,723	1,319,040

	At 31 December 2008				
	Freehold property	Motor vehicles	Fixtures and fittings	IT equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2008	1,147,558	163,478	438,463	101,034	1,850,533
Additions	-	45,068	27,834	4,274	77,176
Disposals	-	(59,468)	(167,479)	(33,288)	(260,235)
At 31 December 2008	1,147,558	149,078	298,818	72,020	1,667,474
<b>Depreciation</b>					
At 1 January 2008	(117,062)	(67,754)	(179,055)	(51,848)	(415,719)
Disposals	-	48,536	140,179	29,122	217,837
Charge for year	(17,051)	(38,563)	(31,834)	(15,914)	(103,362)
At 31 December 2008	(134,113)	(57,781)	(70,710)	(38,640)	(301,244)
<b>Net book value</b>					
At 1 January 2008	1,030,496	95,724	259,408	49,186	1,434,814
At 31 December 2008	1,013,445	91,297	228,108	33,380	1,366,230





## 21. INTANGIBLE ASSETS

<b>SOFTWARE</b>	<b>2009</b>	<b>2008</b>
	£	£
<b>Cost</b>		
At 1 January	42,686	37,861
Additions	3,543	4,825
At 31 December	46,229	42,686
<b>Amortisation</b>		
At 1 January	(28,876)	(22,983)
Charge for the year	(5,992)	(5,893)
At 31 December	(34,868)	(28,876)
<b>Carrying value</b>		
At 1 January	13,810	14,878
At 31 December	11,361	13,810

## 22. INVESTMENTS IN SUBSIDIARIES

The Institute's investments in the ordinary share capital of unlisted companies at the statement of financial position date comprise the following:

<b>Name</b>	<b>Country of incorporation</b>	<b>% Ownership interest</b>	<b>% Voting rights</b>
ILEX Tutorial College Limited	United Kingdom	100	100
ILEX Publishing and Advertising Services Limited	United Kingdom	100	100
ITS (Law Tutors) Limited	United Kingdom	100	100
ILEX (Paralegal Training) Limited	United Kingdom	100	100
Legal Executive Training Limited	United Kingdom	100	100
ILEX Professional Standards Limited	United Kingdom	100	100

## 23. FINANCIAL INSTRUMENTS

	<b>Carrying amount</b>		<b>Fair value</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	£	£	£	£
<b>Financial assets</b>				
Cash and cash equivalents	1,024,441	1,065,337	1,024,441	1,065,337
Trade and other receivables	965,549	270,161	965,549	270,161
<b>Financial liabilities</b>				
Trade and other payables	(148,995)	(133,307)	(148,995)	(133,307)

## 24. RELATED PARTY TRANSACTIONS

### TRADING ACTIVITIES

During the year the Institute received income from ILEX Tutorial College Limited totalling £295,994 (2008 £261,867) 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 ILEX Tutorial College Limited totalling £18,982 (2008 £19,184). The Institute was charged £69,209 (2008 £61,254) by ILEX Tutorial College Limited for expenditure it had incurred on the Institute's behalf, which was also recharged at cost. The Institute also purchased manuals for members totalling £223 (2008 £Nil) from ILEX Tutorial College Limited.

During the year the company contributed to the operating costs of ILEX Professional Standards Limited totalling £419,509. The Institute received £256,937 in management charges from ILEX Professional Standards Limited.

### REIMBURSEMENT OF EXPENDITURE

During the year the Institute reimbursed out of pocket expenses to Council members in respect of travel and other necessary expenses incurred in performing their Council duties of £83,807 (2008 £78,823).

### RECEIVABLE FROM RELATED PARTIES

	2009	2008
	£	£
Receivable from subsidiary companies	912,479	214,604

### KEY MANAGEMENT COMPENSATION

	2009	2008
	£	£
Wages and salaries	102,643	105,747
Post employment benefits: Defined contribution	8,056	7,854
Social security costs	12,439	12,846
Benefits in kind	9,266	10,778
	132,404	137,225

## 25. INVENTORIES

	2009	2008
	£	£
Publicity goods (At cost)	-	531
Course books (At cost)	2,973	4,210
	2,973	4,741



## 26. TRADE AND OTHER RECEIVABLES

	2009	2008
	£	£
Receivable from trade customers	53,070	55,557
Receivable from related parties	912,479	214,604
Tax receivables	13,885	7,122
	<u>979,434</u>	<u>277,283</u>

Amounts receivable from trade customers are non interest bearing and are generally on 30-90 day terms.

## 27. PREPAYMENTS

	2009	2008
	£	£
<b>Current</b>		
Prepayments	<u>174,420</u>	<u>191,374</u>

## 28. CASH AND CASH EQUIVALENTS

	2009	2008
	£	£
Cash on hand	1,000	1,000
Cash at bank	1,023,441	64,337
Short-term deposits	-	1,000,000
	<u>1,024,441</u>	<u>1,065,337</u>

## 29. SHARE CAPITAL

The Institute is a company limited by guarantee and therefore has no share capital.

## 30. TRADE AND OTHER PAYABLES

	2009	2008
	£	£
Payable to trade suppliers	148,995	133,307
Accrued liabilities	129,918	74,800
Tax payable	58,782	66,921
	<u>337,695</u>	<u>275,028</u>

## Report of the Trustees

The Trustees have pleasure in presenting their report and the financial statements of the Charity for the year ended 31 December 2009.

### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Charity Name** The Institute Of Legal Executives Benevolent Fund

**Charity Registration Number** 295527

### THE TRUSTEES

The Trustees who served the Charity during the period were as follows:

- J D Watkins
- Mrs D Burleigh
- Miss J Arram
- Mrs S Barton

### Auditor

Collett Hulance LLP, Chartered Certified Accountants & Statutory Auditor, 40 Kimbolton Road, Bedford MK40 2NR

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Legal Status

The Benevolent Fund registered as a Charity on 27th February 1987 and is governed by its Trust Deed dated 19th May 1987.

#### Organisation

The Institute of Legal Executives appoints all new Trustees who hold office for a term of five years and are then eligible for re-appointment.

The Trustees hold at least two meetings in each year. Day-to-day administration of the Charity is delegated to employees of the Institute.

#### Reserves Policy

As the Institute of Legal Executives bears the majority of the Charity's administrative costs, the Trustees do not have a specific figure for the level of free reserves required (that is those funds not tied up in fixed assets) to continue the Charity's activities. The Trustees are hopeful that they will be able to maintain the Charity's free reserves at the level required in order to assist persons in need, as and when required.

#### Risk Management

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate the Charity's exposure to those risks.

### OBJECTIVES AND ACTIVITIES

The primary objective of the Charity is to provide assistance to persons in need who are, or who have been, members of the Institute of Legal Executives and their families or dependants. Assistance is given by payment of grants or by providing advice and information.

Income is generated by way of donations, gifts and from investments.

We are here to help all members and/or their dependants; both financially and with appropriate advice. We hope that members will make a point of letting us know of any others in need, as they may be reluctant to approach us themselves.

### ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW

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

### PLANS FOR FUTURE PERIODS

The Charity intends to continue to provide financial support and advice to members and/or their dependants as may be required.

### ACKNOWLEDGEMENTS

The Trustees are grateful to all those who have contributed in any way to its work during 2009.

We appreciate any help members can give in ensuring that we can provide support to all those who have reason to ask us for it. We can assure members from the grateful letters we receive that the assistance we provide is highly appreciated. Please help us to ensure that this can continue.

### RESPONSIBILITIES OF THE TRUSTEES

The Charity's Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 1993 and the Charity (Accounts and Reports) Regulations 2008. The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITOR

Collett Hulance LLP have been re-appointed as auditor for the ensuing year.

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Signed on behalf of the Board of Trustees  
Mrs D Burleigh  
Trustee  
24 February 2010



# Independent Auditor's Report

## To the Trustees of The Institute of Legal Executives Benevolent Fund

We have audited the financial statements of the Institute of Legal Executives Benevolent Fund for the year ended 31 December 2009 on pages 36 to 40 which have been prepared on the basis of the accounting policies set out on page 38.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITOR

The responsibilities of the Trustees for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Trustees on page 34.

We have been appointed auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with those financial statements, if the Charity has not kept sufficient accounting records, if the Charity's financial statements are not in agreement with these accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charity's affairs as at 31 December 2009 and of its incoming resources and application of resources, for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

---

### Collett Hulance LLP

Chartered Certified Accountants  
& Statutory Auditor  
40 Kimbolton Road  
Bedford  
MK40 2NR

## Statement of Financial Activities

		Total Funds	Total Funds
	Notes	2009	2008
<b>INCOMING RESOURCES</b>		£	£
<b>Incoming resources from generating funds:</b>			
Voluntary income	2	3,142	3,322
Investment income	3	4,494	9,578
<b>Total Incoming Resources</b>		<b>7,636</b>	<b>12,900</b>
<b>RESOURCES EXPENDED</b>			
Charitable activities	4/5	(3,774)	(3,958)
<b>Total Resources Expended</b>		<b>(3,774)</b>	<b>(3,958)</b>
<b>Net incoming resources before other recognised gains and losses</b>		<b>3,862</b>	<b>8,942</b>
<b>Other recognised gains and losses</b> (Losses)/gains on investment assets		(1,740)	2,133
<b>Net movement in funds</b>		<b>2,122</b>	<b>11,075</b>
<b>Reconciliation of funds</b>			
Total funds brought forward		185,175	174,100
<b>Total funds carried forward</b>		<b>187,297</b>	<b>185,175</b>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes from pages 38 to 40 form part of these financial statements.

# Balance Sheet



	Notes	2009	2008
		£	£
<b>Fixed Assets</b>			
Investments	8	43,784	45,524
<b>Current Assets</b>			
Debtors	9	97	-
Cash at bank		143,416	139,651
Net Current Assets		143,513	139,651
<b>Total Assets</b>		<b>187,297</b>	<b>185,175</b>
<b>Funds</b>			
Unrestricted income funds	10	187,297	185,175
<b>Total Funds</b>		<b>187,297</b>	<b>185,175</b>

The notes from pages 38 to 40 form part of these financial statements.

These financial statements were approved by the Board of Trustees on the 24 February 2010 and are signed on their behalf by:

Mrs D Burleigh  
Trustee

Miss J Arram  
Trustee

# Notes to the Financial Statements

## 1. ACCOUNTING POLICIES

### Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Charities Act 1993.

### Incoming resources

Income from interest and donations is accounted for when receivable.

### Resources expended

Expenses are recorded on an accruals basis.

### Grants

The Trustees decide, based on applications received from persons in need, to whom grants of assistance should be made. Grants are made to help persons in financial difficulties due to unemployment, illness or other misfortune.

### Fund accounting

The unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

### Fixed asset investments

All fixed assets are initially recorded at cost, and revalued annually to market values

## 2. VOLUNTARY INCOME

	Unrestricted Funds	Total Funds 2009	Total Funds 2008
	£	£	£
<b>Donations</b>			
Members' donations and gifts	612	612	869
Legal Charities Garden Party	2,530	2,530	2,453
	3,142	3,142	3,322

## 3. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2009	Total Funds 2008
	£	£	£
Bank interest receivable	11	11	235
Fixed asset investments	3,137	3,137	3,137
Money market	1,346	1,346	6,206
	4,494	4,494	9,578





#### 4. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Total Funds	
		2009	2008
	£	£	£
Grants for assistance	3,288	3,288	2,144
Subscriptions, course fees and exam fee grants	377	377	1,707
Support costs	109	109	107
	<u>3,774</u>	<u>3,774</u>	<u>3,958</u>

#### 5. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support Costs	Total Funds	
			2009	2008
	£	£	£	£
Grants for assistance	3,288	97	3,385	2,203
Subscriptions, course fees and exam fee grants	377	12	389	1,755
	<u>3,665</u>	<u>109</u>	<u>3,774</u>	<u>3,958</u>

#### 6. ANALYSIS OF SUPPORT COSTS

	Grants for assistance	Subscriptions, course fees and exam fee grants	Total	
			2009	2008
	£	£	£	£
Bank charges	97	12	109	107

The support costs have been allocated to activities based on the value of direct costs incurred.

#### 7. STAFF COSTS AND EMOLUMENTS

No salaries or wages have been paid to employees, including the Board of Trustees, during the year.

Notes to the Financial Statements *continued*

**8. INVESTMENTS**

**MOVEMENT IN MARKET VALUE**

	2009	2008
	£	£
Market value at 1 January	45,524	43,391
Net gain/(loss) on revaluations in the year ended 31 December	(1,740)	2,133
Market value at 31 December	43,784	45,524
Historical cost at 31 December	49,471	49,471

**ANALYSIS OF INVESTMENTS AT 31 DECEMBER 2009 BETWEEN FUNDS**

**Listed investments**

UK Quoted fixed interest Securities

	Total Funds 2009	Total Funds 2008
	£	£
UK Quoted fixed interest Securities	43,784	45,524

**9. DEBTORS**

	Total Funds 2009	Total Funds 2008
	£	£
Prepayments and accrued income	97	-

**10. UNRESTRICTED INCOME FUNDS**

	At 31 December 2009				
	Balance at 1 January 2009 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 December 2009 £
General Funds	185,175	7,636	(3,774)	(1,740)	187,297

**11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	At 31 December 2009		
	Investments £	Net current assets £	Total £
Unrestricted Income Funds	45,784	143,513	189,297
Total Funds	45,784	143,513	189,297

“ILEX is to be congratulated on a story of constant and considerable achievement.”

**Lord Judge**, Lord Chief Justice, July 2009.





## **Institute of Legal Executives**

Kempston Manor  
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