

ILEX PROFESSIONAL STANDARDS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2012



COLLETT HULANCE LLP

CHARTERED CERTIFIED ACCOUNTANTS & REGISTERED AUDITORS
40 KIMBOLTON ROAD
BEDFORD
MK40 2NR

ILEX PROFESSIONAL STANDARDS LIMITED
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AS AT 31 DECEMBER 2012

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ILEX PROFESSIONAL STANDARDS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2012

| | |
|------------------------------------|---|
| Company registration number | 06712409 |
| The board of directors | A R C Kershaw S E Barton T S Brown H J Daniels F Essat (retired - 31 March 2012) A P Middleton P Bligh-Cheesman I Chivers (appointed - 1 April 2012) |
| Company secretary | I Watson |
| Registered office | Kempston Manor Kempston Bedford Bedfordshire MK42 7AB |
| Current auditor | Collett Hulance LLP Chartered Certified Accountants and Registered Auditors 40 Kimbolton Road Bedford MK40 2NR |

ILEX PROFESSIONAL STANDARDS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company throughout the period was to perform duties as the independent regulator of members of the Institute of Legal Executives

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 company'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

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 International Financial Reporting 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 company'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 directors 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 company's financial position and financial performance, and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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.

ILEX PROFESSIONAL STANDARDS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

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

Approved by the board on 13 March 2013
and signed on its behalf by

A handwritten signature in black ink, appearing to read 'I Watson', followed by a period.

I Watson
Secretary

ILEX PROFESSIONAL STANDARDS LIMITED

Independent auditor's report to the shareholders of ILEX Professional Standards Limited

FOR THE YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of ILEX Professional Standards Limited for the year ended 31 December 2012 which comprise the Income Statement, Statement of Changes in Equity, Statement of Financial Position, 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 company's shareholders, 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 company's shareholders those matters we are required 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 company and the company's shareholders as a body, for our audit work, for this report or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, set out on page 4, the directors 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 parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, 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 directors in preparation of the financial statements, and of whether the accounting policies are appropriate for the company'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 company's affairs as at 31 December 2012 and of its profit 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.

ILEX PROFESSIONAL STANDARDS LIMITED

**Independent auditor's report to the shareholders of ILEX Professional Standards Limited (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 Directors' Report 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



Lynden Philip Richardson FCCA (Senior Statutory Auditor)
For and on behalf of

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

11th April 2013

ILEX PROFESSIONAL STANDARDS LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

| | Notes | 2012 £ | 2011 £ |
|----------------------------|-------|--------------------|------------------|
| Revenue | | 1,033,377 | 650,096 |
| Other operating expenses | | <u>(1,033,377)</u> | <u>(650,096)</u> |
| PROFIT BEFORE TAX | 3 | - | - |
| Tax expense | 4 | - | - |
| PROFIT FOR THE YEAR | | <u>-</u> | <u>-</u> |

The notes on pages 11 to 13 form part of these financial statements.

ILEX PROFESSIONAL STANDARDS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

| | Issued capital £ |
|-----------------------------|-----------------------------------|
| Balance at 1 January 2012 | 1 |
| Profit for the year | - |
| | <hr/> |
| Balance at 31 December 2012 | <hr/> 1 |

| | Issued capital £ |
|-----------------------------|-----------------------------------|
| Balance at 1 January 2011 | 1 |
| Profit for the year | - |
| | <hr/> |
| Balance at 31 December 2011 | <hr/> 1 |

The notes on pages 11 to 13 form part of these financial statements.

ILEX PROFESSIONAL STANDARDS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

| | Notes | 2012 £ | 2011 £ |
|------------------------------------|-------|-----------|-----------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Trade and other receivables | 5 | <u>1</u> | <u>1</u> |
| EQUITY | | | |
| ISSUED CAPITAL AND RESERVES | | | |
| Issued share capital | 8 | <u>1</u> | <u>1</u> |

Approved by the Board on 13 March 2013 and signed on its behalf by



A R C Kershaw, Director

Company registration number 06712409

The notes on pages 11 to 13 form part of these financial statements.

ILEX PROFESSIONAL STANDARDS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

| | 2012 | 2011 |
|---|-------------|-------------|
| | £ | £ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Total operating Profit | - | - |
| Cash and cash equivalents as at 1 January 2012 | - | - |
| CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2012 | <u>-</u> | <u>-</u> |

The notes on pages 11 to 13 form part of these financial statements.

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

The company's financial statements for the year were authorised for issue on 13 March 2013 and the statement of financial position signed on the board's behalf by A R C Kershaw ILEX Professional Standards Limited is a limited company incorporated and domiciled in England & Wales

The company'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 company are set out in note 2

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Revenue recognition

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

Disciplinary fees

Disciplinary fee income is recognised when the disciplinary tribunal hearing delivers its verdict as to what fines are to be imposed and costs to be recovered

Rights of audience income

Rights of audience income is recognised on received basis for both initial applications and renewals

Taxation

Taxation expense 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 income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date

Trade and other receivables

Trade and other receivables are recognised by the company 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

ILEX PROFESSIONAL STANDARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting) the following

| | 2012 | 2011 |
|---|---------------------|---------------------|
| | £ | £ |
| Auditor's remuneration - audit services | <u>2,750</u> | <u>2,600</u> |

4. TAXATION

Components of tax expense

| | 2012 | 2011 |
|--------------------|-------------|-------------|
| | £ | £ |
| Tax expense | | |
| Current tax charge | <u>-</u> | <u>-</u> |

5. TRADE AND OTHER RECEIVABLES

| | 2012 | 2011 |
|---------------------------------|-----------------|-----------------|
| | £ | £ |
| Receivable from related parties | <u>1</u> | <u>1</u> |

6. FINANCIAL INSTRUMENTS

| | <i>Carrying amount</i> | | <i>Fair value</i> | |
|-----------------------------|------------------------|-----------------|-------------------|-----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Financial assets | | | | |
| Trade and other receivables | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

7. RELATED PARTY TRANSACTIONS

Ultimate controlling party

The company is entirely owned by the Institute of Legal Executives (ILEX), the professional body for Legal Executives

ILEX PROFESSIONAL STANDARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

7. RELATED PARTY TRANSACTIONS (continued)

Trading activities

The company was under the control of the board of directors throughout the period

During the period the company received a contribution from ILEX of £1,022,071 (2011 £635,397) to cover expenses, including £524,797 (2011 £354,665) relating to salaries and overheads

Board member fees

During the year the Board members of the company were paid £103,533 (2011 £88,502) in respect of fulfilling their duties as Board members. The Board members were also reimbursed out of pocket expenses in respect of travel and other necessary expenses incurred in performing their duties of £37,510 (2011 £32,797)

Receivable from related parties

| | 2012 | 2011 |
|--------------------------------|-------------|-------------|
| | £ | £ |
| Amounts owed by parent company | <u>1</u> | <u>1</u> |

8. SHARE CAPITAL

Authorised share capital

| | No. | 2012 | | 2011 |
|------------------------|------------|-------------|-----------|-------------|
| | 1 | £ | No | £ |
| Ordinary share capital | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

Issued share capital

| | No. | 2012 | | 2011 |
|------------------------------|------------|-------------|-----------|-------------|
| | 1 | £ | No | £ |
| Issued and fully paid | | | | |
| Ordinary share capital | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

All issued share capital is classified as equity