

**Registered number: 06712409**

**CILEx Regulation Limited**

**Directors' Report and Financial Statements**

**For the Year Ended 31 December 2022**

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**CILEx Regulation Limited**

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**Company Information**

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<b>Directors</b>	Jonathan Rees Alice Belcher Helen Astle Douglas Blackstock Patricia White (appointed 2 May 2023)
<b>Company Secretary</b>	Simon Blandy
<b>Registered number</b>	06712409
<b>Registered office</b>	Room 301 Endeavour House Wrest Park Silsoe Bedford Bedfordshire MK45 4HS
<b>Independent auditor</b>	Mercer & Hole LLP 21 Lombard Street London EC3V 9AH
<b>Bankers</b>	National Westminster 81 High Street Bedford MK40 1YN

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**CILEx Regulation Limited**

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## CILEx Regulation Limited

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### Directors' Report For the Year Ended 31 December 2022

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

#### Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business
- provide the external auditor with all information required in order for them to complete the audit.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Principal activity

CILEx Regulation Limited (the Company) is the independent regulator of Chartered Legal Executives and other CILEX members, CILEX authorised entities and non-members with Practice Rights in the legal sector.

#### Business review

The Company's income derives from practising certificate fees (PCF), including fees collected for practitioner and entity authorisation and renewal, application fees, and accreditation fees. Cost budgets are set in advance of each financial year, in order to determine the level of the fees which must be approved by the Legal Services Board. Since September 2021, whilst CILEX does not contribute to the compensation fund arrangements it has ringfenced £250,000 from its reserves as part of these arrangements.

CILEx Regulation had another successful year and commenced the first year of its implementation of the 3 year Business Strategy, published in 2021, which promotes high standards, consumer empowerment and championing Equality, Diversity and Inclusion. The Company continued to carry out the majority of its business operations remotely with some office space to facilitate the move to hybrid working. Operational performance, for CILEx Regulation (excluding the activities of Compensation Fund Arrangements), was strong in 2022 with an operating surplus of £193,299. CILEx Regulation utilised some of its reserves to undertake additional activities in support of its strategy implementation and was also involved in considerable unplanned work following CILEX' unexpected announcement on seeking to switch regulatory responsibility to the SRA. Discussions on this continue.

The overall position (excluding the activities of Compensation Fund Arrangements) at the end of 2022 is a deficit of £144,251 before tax, compared with a surplus before tax of £97,407 in 2021.

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**CILEx Regulation Limited**

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**Directors' Report (continued)  
For the Year Ended 31 December 2022**

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**Directors**

The Directors who served during the year and up to the date of signature of the financial statements were:

Jonathan Rees  
Alice Belcher  
Helen Astle  
Douglas Blackstock  
Robert Morris (appointed 1 December 2022; resigned 12 April 2023)  
Patricia White (appointed 2 May 2023)

No directors took out qualifying indemnity provisions during the year.

**Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are 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 Company's auditors are aware of that information.

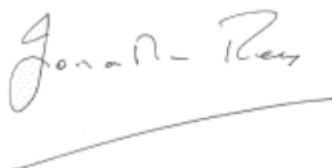
**Auditors**

Mercer & Hole LLP were appointed as auditor subsequent to the year end and have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

**Small companies note**

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

This report was approved by the Board and signed on its behalf.



**Jonathan Rees  
Director (Chair of Board)**

**Date: 12 July 2023**

**Independent Auditors' Report to the Members of CILEx Regulation Limited**

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**Opinion**

We have audited the financial statements of CILEx Regulation Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to note 2.3 to the financial statements which describes how the ability of the Company to continue as a going concern is affected by the announcement by the Chartered Institute of Legal Executives that they are seeking to re-delegate regulatory responsibility from the Company to the Solicitors Regulation Authority. The conditions that are set out in note 2.3 result in a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Independent Auditors' Report to the Members of CILEx Regulation Limited  
(continued)**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of noncompliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities;
- identifying and testing journal entries.

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**CILEx Regulation Limited**

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**Independent Auditors' Report to the Members of CILEx Regulation Limited  
(continued)**

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Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorresponsibilities>.

**Use of our report**

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



**Andrew Dean LLB ACA  
Senior Statutory Auditor**

**For and on behalf of  
Mercer & Hole LLP  
21 Lombard Street  
London  
EC3V 9AH  
Chartered Accountants  
Statutory Auditor**

**DATE: 13 July 2023**



CILEx Regulation Limited

**Statement of Comprehensive Income  
For the Year Ended 31 December 2022**

	Note	2022 £	2021 £
Turnover		1,831,179	1,809,850
Direct costs		(162,895)	(270,778)
<b>Gross surplus</b>		<b>1,668,284</b>	<b>1,539,072</b>
Administrative expenses		(1,478,121)	(1,466,192)
Interest received		46	-
<b>Operating surplus excluding exceptional costs</b>		<b>190,209</b>	<b>72,880</b>
<b>Exceptional costs</b>		<b>(337,993)</b>	<b>-</b>
<b>Operating (deficit)/surplus</b>		<b>(147,784)</b>	<b>72,880</b>
Tax on (deficit)/surplus	7	443	(14,328)
<b>(Deficit)/surplus for the financial year</b>		<b>(147,341)</b>	<b>58,552</b>

Exceptional costs incurred in 2022 totalled £337,993, of which £268,048 funded legal and regulatory issues following CILEX' announcement on the future of regulatory arrangements. Other exceptional costs included post budget agreements for research and additional staff costs.

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 10 to 18 form part of these financial statements.

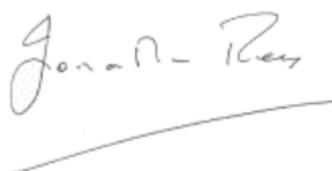
**CILEx Regulation Limited**

**Statement of Financial Position  
As at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	8	5,711	4,802
		<b>5,711</b>	<b>4,802</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	39,091	294,487
Cash at bank and in hand	10	378,566	296,657
		<b>417,657</b>	<b>591,144</b>
Creditors: amounts falling due within one year	11	(111,266)	(135,302)
<b>Net current assets</b>		<b>306,391</b>	<b>455,842</b>
<b>Total assets less current liabilities</b>		<b>312,102</b>	<b>460,644</b>
<b>Provisions for liabilities</b>			
Deferred tax	12	-	(1,201)
		<b>-</b>	<b>(1,201)</b>
<b>Net assets</b>		<b>312,102</b>	<b>459,443</b>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		312,101	459,442
		<b>312,102</b>	<b>459,443</b>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf



**Jonathan Rees**  
**Director (Chair of Board)**

**DATE: 12 July 2023**

The notes on pages 10 to 18 form part of these financial statements.

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CILEx Regulation Limited

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**Statement of Changes in Equity**  
**For the Year Ended 31 December 2022**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£
At 1 January 2022	1	459,442	459,443
<b>Comprehensive income for the year</b>			
Deficit for the year	-	(147,341)	(147,341)
<b>Total comprehensive income for the year</b>	-	(147,341)	(147,341)
<b>At 31 December 2022</b>	<b>1</b>	<b>312,101</b>	<b>312,102</b>

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The notes on pages 10 to 18 form part of these financial statements.

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CILEx Regulation Limited

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**Statement of Changes in Equity**  
**For the Year Ended 31 December 2021**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2021	1	400,890	400,891
<b>Comprehensive income for the year</b>			
Surplus for the year	-	58,552	58,552
<b>Total comprehensive income for the year</b>	-	58,552	58,552
<b>At 31 December 2021</b>	<b>1</b>	<b>459,442</b>	<b>459,443</b>

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The notes on pages 10 to 18 form part of these financial statements

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**1. General information**

These financial statements are presented in Pounds Sterling (GBP) as that is the currency in which the transactions of the Company are denominated. Monetary amounts in these financial statements are rounded to the nearest £1.

The principal activity of the Company throughout the period was to perform duties as the independent regulator of Chartered Legal Executives and other CILEX members, CILEX authorised entities and non-members with Practice Rights in the legal sector.

The Company is incorporated in England and Wales as a private company limited by shares. The principal place of business and registered office address is Room 301 Endeavour House, Wrest Park, Silsoe, Bedford, Bedfordshire MK45 4HS.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The Company's business activities are set out in the Directors' Report on page 1 of these financial statements. As at 31 December 2022, the Company reported net assets of £312,753 (2021: £459,443) including cash of £378,566 (2021: £296,657).

In assessing the appropriateness of the going concern assumption, the Directors have prepared detailed cash flow forecasts for the Company extending 12 months from the date of approval of these financial statements. In any reasonable scenario, the Company has sufficient cash to meet its liabilities as they fall due.

CILEX Regulation Limited (the "Company") acts as the independent regulator of Chartered Legal Executives and other Chartered Institute of Legal Executives ("CILEX") members, CILEX authorised entities and non-members with Practice Rights in the legal sector. The Company derives the majority of its income from its share of practicing certificate fees (PCF), which are charged by CILEX to members of CILEX on the Company's behalf and then subsequently remitted to the Company. The balance of the Company's income is generated from fees collected for practitioner and entity authorisation and renewal, application fees, and accreditation fees. Each year CILEX and CRL submit their practising fees application to the Legal Services Board ("LSB") for approval under section 51 Legal Service Act 2007.

CILEX delegated its regulatory functions to the Company in compliance with the Internal Governance Rules 2019. During the year on 25 January 2022 CILEX informed the Company that it intended to enter into formal discussions with the Solicitors Regulation Authority (SRA) with a view to transferring the delegated regulatory responsibility from the Company to the SRA. This would mean the Company's principal activity is transferred to another entity, and a material uncertainty therefore exists in relation to the Company's ability to continue to trade as a going concern should this occur.

There has been significant correspondence and discussion on the matter subsequent to the initial announcement both during the year and since the balance sheet date, including an investigation report into the dispute by the Legal Services Board ("LSB"). The LSB found that no enforcement action against either entity was required, but both CILEX and the Company have agreed voluntary undertakings to fulfil the recommendations in the report, which is publicly available.

At the date of approval of these financial statements the Directors remain in discussions in respect of the proposed redelegation of the regulatory functions. It is the intention of the Directors that the Company continue its principal activity as the independent regulator of CILEX for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. Based on forecasts the Directors have concluded that they expect the Company to remain solvent and therefore a going concern for 12 months following the date of approval of the financial statements. However, a material uncertainty exists in respect of the proposed redelegation of the Company's principal activity that may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Based on the above the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements therefore do not include any adjustments that would be required if the Company were unable to continue as a going concern.

**2.4 Impact of new international reporting standards, amendments and interpretations**

There are no new international reporting standards, amendments or interpretations that are expected to have a material impact on the company in the coming year.

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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## **2.5 Revenue**

The Company's revenue is derived from three main sources: its share of Practising Certificate Fee income charged by the Chartered Institute of Legal Executives ("CILEX") on its behalf to members of CILEX and remitted to the company by CILEX; other fee income charged directly to members of CILEX and non-members with practice rights regulated by the company; and fines and cost orders assessed on members of CILEX resulting from regulatory action.

All revenue is recognised in the period to which it relates. In the case of fines and cost orders, revenue is recognised when the regulatory action is complete.

## **2.6 Pensions**

### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

## **2.7 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 25%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.



**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.11 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.12 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The Directors consider there to be no critical judgements, estimates or assumptions used in the preparation of these financial statements.

**4. Auditor's remuneration**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Audit fee	<b>12,500</b>	5,000
Corporation Tax fee	-	1,850
	<b>12,500</b>	6,850

**CILEx Regulation Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**5. Employees**

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
Directors	<b>4</b>	<i>5</i>
Employees	<b>22</b>	<i>21</i>
	<b>26</b>	<i>26</i>

Senior management team remuneration

	<b>2022</b>	<i>2021</i>
Annual salary banding;		
£60,000-£70,000	-	<i>1</i>
£70,001-£80,000	-	<i>1</i>
£80,001-£90,000	<b>1</b>	<i>-</i>
£90,001-£100,000	<b>1</b>	<i>1</i>
£100,001-£110,000	-	<i>1</i>
£110,001-£120,000	<b>1</b>	<i>-</i>

**6. Directors' remuneration**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Directors' emoluments	<b>65,900</b>	<i>72,333</i>
	<b>65,900</b>	<i>72,333</i>

Annual salary;

Chair of Board £40,000

Other Board members £8,400

No directors received post employment benefits during the year (2021: nil).

The number of Directors paid in the year was 4 (2021: 5).

**7. Corporation tax**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Current year tax charge	-	<i>15,504</i>
Prior year adjustment	<b>758</b>	<i>(938)</i>
Deferred tax (credited) / charged to profit and loss	<b>(1,201)</b>	<i>(240)</i>
At 31 December 2022	<b>(443)</b>	<i>14,328</i>

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CILEx Regulation Limited

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Notes to the Financial Statements  
For the Year Ended 31 December 2022

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8. Tangible fixed assets

	Computer equipment £
<b>Cost or valuation</b>	
At 1 January 2022	25,056
Additions	4,431
At 31 December 2022	<u>29,487</u>
<b>Depreciation</b>	
At 1 January 2022	20,254
Charge for the year on owned assets	3,522
At 31 December 2022	<u>23,776</u>
<b>Net book value</b>	
At 31 December 2022	<u>5,711</u>
<i>At 31 December 2021</i>	<u>4,802</u>

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**CILEx Regulation Limited**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**9. Debtors**

	<b>2022</b>	<i>2021</i>
	£	£
Trade debtors	<b>5,752</b>	<i>12,500</i>
Amounts owed by group undertakings	-	<i>237,149</i>
Other debtors	-	<i>12,372</i>
Prepayments and accrued income	<b>33,339</b>	<i>32,466</i>
	<b>39,091</b>	<i>294,487</i>

**10. Cash and cash equivalents**

	<b>2022</b>	<i>2021</i>
	£	£
Cash at bank and in hand	<b>378,566</b>	<i>296,657</i>
	<b>378,566</b>	<i>296,657</i>

**11. Creditors: Amounts falling due within one year**

	<b>2022</b>	<i>2021</i>
	£	£
Trade creditors	<b>5,796</b>	<i>43,704</i>
Amounts owed to group undertakings	<b>2,503</b>	<i>590</i>
Corporation tax	<b>758</b>	<i>15,504</i>
Other Creditors	<b>1,726</b>	<i>12,612</i>
Accruals and deferred income	<b>100,483</b>	<i>62,892</i>
	<b>111,266</b>	<i>135,302</i>

**12. Deferred taxation**

	<b>2022</b>	<i>2021</i>
	£	£
At 1 January 2022	<b>1,201</b>	<i>1,441</i>
(Credited)/charged to profit and loss	<b>(1,201)</b>	<i>(240)</i>
	<b>-</b>	<i>1,201</i>

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**CILEx Regulation Limited**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**12. Deferred taxation (continued)**

The deferred taxation balance is made up as follows:

	<b>2022</b> £	<i>2021</i> £
Accelerated capital allowances	-	1,201
	<hr/>	<hr/>
	-	1,201
	<hr/>	<hr/>

**13. Authorised and called up Share Capital**

<b>Shares classified as equity</b>	<b>2022</b> £	<i>2021</i> £
<b>Authorised, allotted, called up and fully paid</b>	<b>1</b>	<b>1</b>
1 Ordinary share of £1		
	<hr/>	<hr/>
	<b>1</b>	<b>1</b>
	<hr/>	<hr/>

**14. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £96,009 (2021 - £98,985).

**15. Controlling party**

The company is wholly owned by The Chartered Institute of Legal Executives (CILEX), a company incorporated in England and Wales by Royal Charter. The registered office is Kempston Manor, Kempston, Bedford, Bedfordshire, MK42 7AB.