



**Notice of Annual General Meeting 2004
Annual Report & Accounts to 31 December 2003**

Legal Executives are qualified Lawyers
The Institute of Legal Executives (ILEX)
is the professional body which represents Legal Executives
ILEX is the leading provider of comprehensive
legal education and influences law reform



Investor in People

Letter from the President

The Institute of Legal Executives had another very successful financial year in 2003 – our 40th Anniversary year. Since we were founded in 1963, we have developed from a small training and membership body, to a well respected and nationally recognised professional and awarding body. Looking towards the next 40 years, ILEX will face many changes, with the legal environment opening up a variety of opportunities for us to push forward the initiatives outlined in our strategy 'Moving Forward, Staying Ahead.'

During 2003, part of our strategy was to modernise our managerial and administrative processes. The first stage of our Management Information System was completed in 2003, which will help us to improve levels of service efficiency for our members.

Work continued during the year on developing litigation and advocacy rights for members, with a decision expected in 2004.

The Government is instigating a major review of the provision of legal services in England & Wales. Sir David Clementi is leading this review, which will present ILEX with a number of opportunities, but also challenges for us as a professional awarding body.

The range and complexity of cases put to the Investigating Committee during the year has increased, with the most common cause for complaint being failure to take accurate instructions from clients. A Review of ILEX case files was carried out by the Legal Services Ombudsmen. We received constructive feedback, which recognised the quality of the case handling by ILEX staff.

ILEX submitted responses to consultation papers on many aspects of legal practice, plus constitutional changes relating to the Supreme Court and the appointment of judges, which is now being fully tested in Parliament. We welcome members' views on these papers and ILEX's responses to them, which can be accessed via our website www.ilex.org.uk/law_reform We have also monitored a number of Bills, securing an amendment to the Criminal Justice Bill. ILEX will now be consulted alongside the Bar Council and the Law Society on changes to the Police and Criminal Evidence Act Rules affecting guidance to police officers.

On the education front, the ILEX Level 4 Professional Higher Diploma in Law was accredited by the Qualifications and Curriculum Authority (QCA) in September so funding for this course is guaranteed for another two years. ILEX has seen improvements in the number of students registering for the ILEX Paralegal Programmes (IPP) and in the variety of programme providers. ILEX is also in discussion with City & Guilds to look at the possibility of them processing and administering the Paralegal Programmes. A positive decision is expected in Spring 2004.

ILEX Tutorial College (ITC) continued to perform strongly, with higher sales levels and an increase in turnover and operating profit, contributing to the overall success of this year's financial record. This means that the 2003 subscriptions rates can be maintained in 2004.

During 2003, we consolidated the ILEX Branch network to allow the Branches to concentrate on developing their events programmes. There has been a noticeable increase in inter-branch networking, with neighbouring branches supporting each other at the events they organise. Following a successful pilot scheme in 2002, the Council also appointed permanent regional representatives in the East and West Midlands and in Wales.

Continued overleaf



ILEX also supported the second annual National Pro Bono week in June, a joint initiative of ILEX, the Law Society, the Bar Council, the Bar Pro Bono Unit and the Solicitors Pro Bono Group. This is a very positive step for ILEX, as we are keen for as many members as possible to do Pro Bono work.

Following changes to its presentation, *The Legal Executive Journal* has also changed its content, providing members with a cross-section of relevant and thought provoking articles. *The Legal Executive* Newsletter was launched and appears to have been well received. It provides a new means of facilitating communication between ILEX and its members.

The twice monthly Recruitment Supplement enhanced by the recruitment website www.legal-executive-recruitment.com is thriving. Continuously updated, it responds to the needs of members and agencies that now rely on them as a vital recruitment tool.

As a professional and membership body, ILEX looks forward to embracing the changes presented to us by the changing legal landscape. For now, we need to look to 2004 and continue with our strategy of 'Moving Forward, Staying Ahead!'



George Owens F.Inst.L.Ex
President

Staff and Council Members' Code of Conduct

All ILEX staff and Council members subscribe to the same values in the conduct of their work for ILEX. Every staff member and every Council member has signed the ILEX Code of Conduct which governs the ethical approach to our work. There were no complaints relating to breaches of the Code during 2003.

Customer Service

During 2003 specific research was undertaken amongst our student members regarding their perception of our administrative processes. Feedback has enabled us to analyse how processes can be reviewed to meet student expectations. Staff have continued to undertake appropriate customer service training.

Accreditation & Awards Committee

The Accreditation & Awards (A & A) Committee met three times during the year, in March, July and December 2003.

Council member Mr David Foden was co-opted onto the A & A Committee and Mr Chandra Morar stepped down due to work commitments. Mr James Petre, Level 3 Examiner and Centre Auditor was co-opted onto the A & A Sub-Committee.

Amongst a wide range of issues brought before the A & A Committee, a proposal for a Level 4 Human Rights paper was considered and market research was instigated to estimate the likely take up. A new External Verifiers Report Form designed for Centres offering the ILEX Paralegal Programmes was agreed. The Committee also received and approved new Level 4 Professional Higher Diploma assessment descriptors, a new rubric for question papers and key skills document. Throughout the year the Committee approved a number of exemptions including one from the mixed assessment route portfolio stage for candidates who have achieved an AS or 'A' level in Law with grade E or above and who registered with ILEX from September 2003; an exemption from Level 4 Company and Partnership Practice units to the University of East London candidates successfully completing the Company and Partnership practice module of the LLB.

The ILEX Reserves Policy

Council reviewed the ILEX Reserves Policy which was introduced in 2001. It confirmed the terms of that Policy for a further 12 months.



Notice of Annual General Meeting

NOTICE IS GIVEN that the **ANNUAL GENERAL MEETING** of the Institute of Legal Executives will be held at 4:00 pm on Friday, 23 July 2004 at Careys Manor Hotel, Brokenhurst, Hampshire to transact the following business:

1. To receive the Minutes of the Annual General Meeting held on 18 July 2003.
2. The President's Address.
3. To receive the Accounts of the Institute of Legal Executives Group for the period ended 31 December 2003, 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 2003.
4. **Ordinary Resolution:**
To re-appoint Collett Hulance as Auditors and authorise Council to fix their remuneration.
5. **Special Resolution:**
That Article 19C(i) of the Articles of Association be deleted in its entirety and be replaced by the following:
19C(i) The Council shall appoint such number of its members to serve on the Investigating Committee, the Investigating Committee Appeals Committee, the Disciplinary Tribunal and the Appeals Tribunal as it may determine from time to time, and shall appoint 3 lay members and such number of Fellows, not being members of Council, as it may determine, to serve on the Investigating Committee.
6. **Special Resolution:**
That the definition of 'Specialist Members' in Article 1 and Articles 47A, 47C, 47D, 52B, 53(vii), 63A, 63B, 63C and 64 be deleted in their entirety and the Articles listed below be adopted in place of or in addition to the Articles deleted.
 - 1 'Co-opted Member' means a Fellow appointed to the Council under these articles to fulfil needs identified by Council.
 - 47A The Council shall consist of not more than 27 Fellows elected as Constituency Members and 6 Fellows appointed as Co-opted Members. One of the Co-opted Members may be a Fellow who is qualified as a solicitor.
 - 47C The Council shall make arrangements for the co-option of Fellows to serve on the Council and shall have the power to determine the criteria on which Fellows are to be co-opted.
 - 47D Subject to these Articles, Co-opted Members will have the same status, rights and privileges as Constituency Members.
 - 52B A Co-opted Member who retires at an Annual General Meeting shall vacate his office at the conclusion of the meeting and shall be eligible for re-appointment at Council's discretion. The Council may decide not to re-appoint a particular Co-opted Member and may decide to appoint someone else. The maximum number of terms a Co-opted Member may serve consecutively is 2. Once 2 terms have been served consecutively, a Co-opted Member shall not be eligible for re-appointment at any time before a full calendar year has passed.
 - 52C Subject to Article 48 A(iii), a Co-opted Member may stand during the period of co-option for a Council constituency seat. If he is unsuccessful in that election, he may continue to serve the remainder of his term as a Co-opted Member.
 - 53(vii) he is admitted as a solicitor of the Supreme Court, subject to Article 47A.

- 63A Council shall give notice of every vacancy amongst Co-opted Members arising or about to arise to all those Fellows eligible to fill the vacancy:
- i) in the case of a vacancy due to arise at an Annual General Meeting, before 1 April immediately preceding the meeting; and
 - ii) in any other case, within 56 days after the vacancy has arisen.
- 63B At least 30 days will be allowed from the date of publication of a notice of a vacancy for applications to be made to Council by Fellows who wish to be appointed as a Co-opted Member.
- 63C Following such notice Council may select the Co-opted Member or Members to be appointed to Council in its absolute discretion. Council need not appoint any candidates.
- 63D Council will publish the names of Co-opted Members after they have been co-opted.
- 64 At the first meeting of the Council held after each Annual General Meeting the Council shall appoint one of its members to hold office as the President of ILEX, and others to hold office as the Vice-President and Vice-President Elect save that Co-opted Members shall not be eligible for such appointments. If a casual vacancy shall occur in any of those offices the Council may appoint any of its eligible members to fill the vacancy. A person holding office as the President, the Vice-President or the Vice-President Elect shall vacate the office upon the earlier of:
- i) his vacation of office as a member of the Council; and
 - ii) the appointment of his successor to the office.
7. **Special Resolution:**
That Article 54 of the Articles of Association be deleted in its entirety and be replaced by the following:
- 54 A Fellow who ceases to be eligible to be a Constituency Member under Article 53(vi) shall continue in office for the remainder of his current term of office.
8. To announce elections and re-appointments of Fellows to the Council of the Institute of Legal Executives.
9. Any Other Business.

Dated: 30 April 2004

*By Order of the Council
Mrs D Burleigh - Secretary General*

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 4.00pm on 21 July 2004. 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 2003. 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.

Item 5 is a **Special Resolution** to amend Article 19C(i) of the Articles of Association. The proposed change would allow Fellows to be appointed to serve on the Investigating Committee who are not members of ILEX Council. If approved, this Article would continue the development of the independence of the investigating and disciplinary arrangements of ILEX and ease the burden on Council members in manning the various investigatory and disciplinary bodies established under the Articles.

Item 6 is a **Special Resolution** to amend one of the definitions in Article 1 of the Articles, amend Articles 47A, 47C, 47D, 52B, 53(vii), 63A, 63B, 63C, and 64 of the Articles of Association and insert Articles 52C and 63D. This group of amendments ends the power of Council to appoint 6 Specialist Members and replaces it with the power to co-opt up to 6 Fellows as Council members. Council will have wide discretion on who it co-opts to Council, but will be required to invite applications for vacancies amongst the Co-opted Members and to inform members generally who it decides to appoint. Council is not required to co-opt Fellows to fill all vacancies. Co-opted Members would be permitted to serve a maximum of two 3 year terms and would not be eligible to hold any of the offices of President, Vice-President or Vice-President Elect.

A particular feature of the proposals, at Articles 47A and 53(vii), is that a Fellow who is also a Solicitor may be co-opted to join the Council. Only one such person may be appointed and, Solicitor-Fellows will continue to be ineligible to be elected as constituency members of Council. Co-opted Members will be able to stand for election as constituency members of Council if a vacancy arises during their term of office, for which they are eligible.

The proposals reflect ILEX's commitment to securing a diverse representative and participative membership of the Council of ILEX. The Specialist Members provisions have proved ineffective with only one of the 6 available places having been filled.

Item 7 is a **Special Resolution** to amend Article 54 of the Articles of Association. This enables a Constituency Member to continue in office for the remainder of his current term of up to 3 years if he or she ceases to be eligible as a result of ceasing to live and/or work in the constituency. Currently, Constituency Members so affected must step down after 6 months or at the next AGM, whichever is the later.

If the resolutions are approved, they will take effect at the end of the AGM on 23 July 2004.

Further Information

Copies of the Articles of Association appear on ILEX's website at www.ilex.org.uk

ILEX is registered in England as a Company Limited by Guarantee – No. 235139

The Report of the Council

Year ended 31 December 2003

The Council have pleasure in presenting their report and the financial statements of the Group for the year ended 31 December 2003.

Principal Activities and Business Review

The principal activity of the Group during the year was that of being the the professional body for Legal Executives and the provision of training courses for examinations in law.

The Group has had another pleasing 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.

Council

The Council who served the Institute during the year were as follows:

G Owens (President from 18 July 2003)	R Cowley (Mrs)
SE Barton (Mrs) (Vice President)	DF Read
DW Larkin	L Monument (Mrs)
LJ Shaw	DS Hogg
PT Reed	PW Partridge
JM Arram (Miss)	TJ Biggs (Ms)
AC Weavers	LC Graham (Mrs)
PH Dille (Mrs)	M Dowson (Miss) (President to 18 July 2003)
DG Foden	K McCarthy (Appointed 1 October 2003)
M Bishop	D McGrady (Appointed 21 January 2003)
SE Sharman (Mrs)	PA Merritt (Mrs) (Appointed 4 March 2003)
JA Wells	R Badham (Resigned 18 July 2003)
A Caig	DP Cooper (Resigned 18 July 2003)

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.

In March 2003 an independent valuation was carried out on the land and buildings. The valuation estimates the market value to be in excess of the book value if the site is sold for residential development.

During 2003 the ILEX Group Strategy – Moving Forward, Staying Ahead was reviewed and updated in order to place modern managerial and administrative processes at the centre of ILEX's work for their members and less direct clients such as employers. The strategy document renewed ILEX's commitment to be relevant in the services it provides to members, to develop its role as an effective professional body, and to assist those seeking training or education in legal work.

The first stage of our Management Information System was completed in 2003, which will assist ILEX in the future to identify services which members want and to improve levels of service efficiency. Work is ongoing, and planning for the next stage is underway.

Following a successful pilot scheme in 2002, the Council has appointed permanent regional representatives in the East and West Midlands. Another permanent appointment was also made for a regional representative in Wales. Feedback from the areas showed that the representatives have been successful in maintaining contacts with existing members and stakeholders and establishing new contacts. Ultimately, the success of regional representatives will be measured against improved relations with members and employers and increased membership and business levels.

ILEX supported the second annual National Pro Bono week in June, a joint initiative of ILEX, the Law Society, the Bar Council, the Bar Pro Bono Unit and the Solicitors Pro Bono Group. This is a very positive step for ILEX, who are keen for as many members as possible to do Pro Bono work, to provide free legal services for those who cannot afford to pay.

As a further part of its drive to engage with members, ILEX looked at how it might broaden Council membership. Six places have been available for Specialist Members on Council since 2000, but have largely remained unfilled. Council has now agreed that these places should be available for co-option and also recommended that one of them should be reserved for a Fellow who is qualified as a Solicitor.

Work continued during the year on developing rights for members in relation to advocacy and litigation. Applications have to be made to the Lord Chancellor under the Courts and Legal Services Act. A decision on ILEX's advocacy application has not yet been made. It is expected that it will take some time. The Litigation Rights project has required a great deal of detailed work in relation to practice management and indemnity insurance issues. As a result, the Application was not submitted as we had hoped during 2003.

Meanwhile the Government announced its decision to instigate a major review of the provision of legal services under the leadership of Sir David Clementi. ILEX has had meetings with Sir David and his team to ensure that Legal Executives' position within the provision of legal services is understood. During 2004 Sir David will be consulting on possible alternative models for regulation of the legal services sector, and ILEX will submit its views. The Review presents a number of important opportunities but also challenges for ILEX as a professional awarding body.

Investigating Committee Report

John Wells F.Inst.L.Ex

Although the workload and conduct declarations of the Investigating Committee during 2003 was similar to previous years at 42 cases, the range and complexity of issues being considered by the Committee continued to increase. In 2003 the most common ground for complaints against members was the failure to take accurate instructions from clients and/or to follow them. Instances of failure by members to advise clients of their status were lower.

Fellows are now included in the Rehabilitation of Offenders legislation. New rules were adopted to deal with declarations of spent convictions by Fellows and prospective Fellows, although such cases were low. For the first time, the Committee considered cases where Fellows had failed to comply with Continuing Professional Development (CPD) regulations. Although most cases involved failure to notify rather than failure to undertake the CPD, a number of cases have been referred to the Disciplinary Tribunal for consideration during 2004. Another first was the introduction of an Annual Report to the ILEX Council, detailing the Committees work, to supplement the outline reports of meetings it already receives.

With the appointment of a new Ombudsman, Zahida Manzoor, relations with the Legal Services Ombudsman remained constructive. Their Review of ILEX case files was positive, recognising the quality of the case handling by ILEX staff. The Review also identified the need for additional resources to ensure complaint handling continues to be managed efficiently. ILEX has agreed to undertake a programme of benchmarking of key complaints handling processes during 2004.

Currently, the Investigating Committee comprises six Fellows who are members of ILEX Council and three Lay members. We hope 2004 will see Fellows serve on the committee who are not on the ILEX Council.

Education Report

David Foden F.Inst.L.Ex

The ILEX Level 4 Professional Higher Diploma in Law was accredited by the Qualifications and Curriculum Authority (QCA) in September 2003, which ensures public funding until July 2006. In addition, the ILEX Level 3 Professional Diploma in Law was the subject of a positive inspection by the QCA in July, which concentrated on ILEX's quality assurance examination process.

Continuing Professional Development

ILEX Fellows continued to demonstrate their commitment to completing the mandatory Continuing Professional Development (CPD) scheme with high compliance rates. The majority of Fellows undertake their CPD by completing ILEX Tutorial College (ITC) updates.

ILEX Paralegal Programmes

The numbers of students registering for ILEX Paralegal Programmes (IPP) has grown over 2003, with the variety of programme providers extending.

Increasing demands of the QCA has provided the opportunity for new Centres to offer the programmes. ILEX are also in discussion with City & Guilds to discuss the possibility of them processing and administering both the Vocational Paralegal Studies programmes and the Legal Secretaries programmes, providing the opportunity for Paralegal Programmes to grow both nationally and internationally. A positive decision is expected in Spring 2004.

The ILEX Group performance this year has again been sound. ILEX's policies of constant improvement and reaction to change means that there are increasing demands on funds as we develop, but we have again been able to work within income generated. The performance of ITC, the distance learning arm of the ILEX Group, has been particularly pleasing, and the additional income generated has enabled us to maintain 2003 subscription rates for 2004.

The Management Information System has been progressively implemented during the year as planned. This has required comprehensive changes in our operating procedures, and whilst this has been a challenge to our administration staff, I am pleased to report that this has been completed on time and on budget. This has been a major development project for ILEX, and we are now working to ensure that we use the system to maximum advantage.

The successful completion of the pilot project with Regional Representatives and Council's decision to confirm the appointment of the two present incumbents in the Midlands, and to recruit a representative for Wales, increases our staff cost base. However, it dramatically increases our ability to raise ILEX's profile and support stakeholder activities.

Law Reform Committee Report

Paul Reed F.Inst.L.Ex & Larry Shaw F.Inst.L.Ex

ILEX submitted responses to 19 consultation papers during 2003, responding mainly to Government consultations. Many were on developments of practical importance to ILEX members' work and government policy, including:

- property law
- constitutional changes relating to the Supreme Court
- civil and criminal law
- the appointment of judges (now being fully tested in Parliament)
- the retention of QC status

We welcome members' views on the Consultation papers ILEX considers, and our responses to them can be accessed via the web site www.ilex.org.uk During 2003 changes were made to the web site to make access to law reform and professional issues easier.

At the beginning of the Parliamentary year, the agenda was set for Law Reform Work. In 2003, it was decided to monitor the Criminal Justice Bill, the Courts Bill and the Homes Bill. As a result, ILEX secured an amendment to the Criminal Justice Bill so ILEX is consulted alongside the Bar Council and the Law Society on changes to the Police and Criminal Evidence Act Rules and practice amendments affecting guidance to police officers. The role and contribution of ILEX members to the Courts Bill were aired during a debate at the House of Commons.

A reception held at the House of Commons in June helped ILEX build its profile in Parliament so members' interests could be expressed. It also increased the number of contacts ILEX has with MPs.

In addition to the work on consultation responses, the Law Reform Officer continued submissions to Government to enable Fellows to advise on Compromise Agreements in employment law cases. Although the decision was not made until 2004, the submissions made have been successful.

There was also involvement in case preparation pilot schemes which have been run in a number of Magistrates Courts. Following on from this work, the Government has introduced an 'effective trials management' project which is designed to reduce the incidence of trials failing to go ahead because of the absence of the parties or lack of preparation. ILEX contributes to this work by assisting experienced criminal law practitioners.

ILEX Tutorial College continued to perform strongly, returning higher sales levels and an increase in turnover and operating profit over 2002.

ILEX course sales improved by approximately 3.5% compared with the previous year, with costs efficiently managed to come within budget. Our biennial student survey, which evaluated the development work ITC carries out, commended the quality of materials, tuition and supporting services supplied to ITC students.

Recruitment for Government courses also remained strong. De Montfort University and Hong Kong business was brisk, which was rewarding given that the prevailing market conditions were particularly adverse during 2003.

Responsibilities of the Council

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Institute and of the Group at the end of the year and of the Group's surplus or deficiency for the year then ended.

In preparing those financial statements, the Council are required to select suitable accounting policies, as described on pages 19 to 20, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Council must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.

The Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Council 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.

Auditors

A resolution to re-appoint Collett Hulance as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Kempston Manor
Kempston
Bedford
MK42 7AB

Signed on behalf of the Council
Mrs D Burleigh
Secretary General

Dated: 26 March 2004

Independent Auditors' Report to the Members of ILEX

Year ended 31 December 2003

We have audited the financial statements on pages 14 to 27 which have been prepared under the historical cost convention and the accounting policies set out on pages 19 to 20.

This report is made solely to the Institute's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the Council and the Auditors

As described in the Statement of Councils' Responsibilities the Institute's Council are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Councils' Report is not consistent with the financial statements, if the Institute has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Councils' remuneration and transactions with the Institute is not disclosed.

We read the Councils' 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 United Kingdom Auditing Standards 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 the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group'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 of the state of the Institute's affairs and of the Group as at 31 December 2003 and of the surplus of the Group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*4 Goldington Road
Bedford
MK40 3NF*

*COLLETT HULANCE
Chartered Accountants
& Registered Auditors*

Dated: 5 April 2004

Consolidated Income and Expenditure Account

Year ended 31 December 2003

	Note	2003 £	2002 £
CONSOLIDATED INCOME	2	6,303,228	6,018,383
Education and Training		2,417,930	2,443,560
Administrative expenses		<u>3,563,084</u>	<u>3,223,583</u>
OPERATING SURPLUS	3	322,214	351,240
Interest receivable and similar income	5	132,207	128,665
Interest payable and similar charges	6	<u>-</u>	<u>(88,795)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		454,421	391,110
Tax on surplus on ordinary activities	7	73,594	(43,998)
RETAINED SURPLUS FOR THE FINANCIAL YEAR	8	380,827	435,108

All of the activities of the Institute are classed as continuing.

The Institute has taken advantage of section 230 of the Companies Act 1985 not to publish its own Income and Expenditure Account.

The notes on pages 19 to 27 form part of these financial statements.

Consolidated Statement of Total Recognised Gains and Losses

Year ended 31 December 2003

	2003		2002	
	£		£	
Surplus for the financial year attributable to the members of the parent company	380,827		435,108	
Total recognised gains and losses relating to the year	380,827		435,108	
Prior year adjustment (see note 9)	–		(233,386)	
Total gains and losses recognised since the last annual report	380,827		201,722	
RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS				
	2003		2002	
	£	£	£	£
Surplus for the financial year	380,827		435,108	
Opening members' equity surplus	5,186,982		4,985,260	
Prior year adjustment (see note 9)	–		(233,386)	
	5,186,982		4,751,874	
Closing members' equity surplus	5,567,809		5,186,982	

The notes on pages 19 to 27 form part of these financial statements.

Consolidated Balance Sheet

31 December 2003

	Note	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		2,353,055		2,395,317
Investments	11		101		101
			<u>2,353,156</u>		<u>2,395,418</u>
CURRENT ASSETS					
Stocks	12	29,834		37,059	
Debtors	13	725,430		810,124	
Cash at bank and in hand		<u>3,934,830</u>		<u>3,804,827</u>	
		4,690,094		4,652,010	
CREDITORS: Amounts falling due within one year					
	14		<u>1,457,452</u>		<u>1,841,775</u>
NET CURRENT ASSETS					
			<u>3,232,642</u>		<u>2,810,235</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			5,585,798		5,205,653
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	15		17,989		18,671
			<u>5,567,809</u>		<u>5,186,982</u>
RESERVES					
Profit and loss account	18		5,567,809		5,186,982
MEMBERS' FUNDS					
			5,567,809		5,186,982

These financial statements were approved by the Council on the 26 March 2004 and are signed on their behalf by:

G Owens F.Inst.L.Ex
President

A Caig F.Inst.L.Ex
Chairman of Finance

The notes on pages 19 to 27 form part of these financial statements.

Balance Sheet – The Institute

31 December 2003

	Note	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		625,521		680,491
Investments	11		<u>1,247,394</u>		<u>1,247,394</u>
			1,872,915		1,927,885
CURRENT ASSETS					
Debtors	13	828,089		679,761	
Cash at bank and in hand		<u>546,049</u>		<u>990,175</u>	
		1,374,138		1,669,936	
CREDITORS: Amounts falling due within one year					
	14		<u>356,520</u>		<u>875,060</u>
NET CURRENT ASSETS			1,017,618		794,876
TOTAL ASSETS LESS CURRENT LIABILITIES			2,890,533		2,722,761
RESERVES					
Profit and loss account	18		2,890,533		2,722,761
MEMBERS' FUNDS			2,890,533		2,722,761

These financial statements were approved by the Council on the 26 March 2004 and are signed on their behalf by:

G Owens F.Inst.L.Ex
President

A Caig F.Inst.L.Ex
Chairman of Finance

The notes on pages 19 to 27 form part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2003

	Note	2003		2002	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES			200,827		726,330
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		132,207		128,665	
Interest paid		<u>-</u>		<u>(88,795)</u>	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			132,207		39,870
TAXATION			(2,837)		(28,567)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(212,763)		(447,745)	
Receipts from sale of fixed assets		<u>12,569</u>		<u>254,976</u>	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(200,194)		(192,769)
INCREASE IN CASH	19		130,003		544,864
RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES					
			2003		2002
			£		£
Operating surplus			322,214		351,240
Depreciation			209,230		155,283
Loss on disposal of fixed assets			33,226		34,187
Decrease in stocks			7,225		20,646
Decrease in debtors			84,694		297,126
(Decrease)/Increase in creditors			(455,762)		101,234
Prior year adjustment	9		-		(233,386)
Net cash inflow from operating activities			200,827		726,330

The notes on pages 19 to 27 form part of these financial statements.

Notes to the Financial Statements

Year ended 31 December 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated accounts incorporate the accounts of the Institute and all the Group undertakings. These are adjusted, where appropriate, to conform to Group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the Group accounts by virtue of section 230 of the Companies Act 1985.

Income

Income shown in the consolidated income and expenditure account represents amounts received for membership subscriptions, examination fees and other business activities.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% on cost
Leasehold Property	-	over the life of the lease
Fixtures & Fittings	-	10%/25% on reducing balance/cost
Motor Vehicles	-	25% on reducing balance/cost
Computer Equipment	-	25% on reducing balance/cost

Freehold Land is not depreciated.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Pension costs

The Institute operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Institute. The annual contributions payable are charged to the consolidated income and expenditure account.

Notes to the Financial Statements

Year ended 31 December 2003

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating surplus.

2. INCOME

The income and profit before tax are attributable to the one principal activity of the Group. An analysis of income is given below:

	2003 £	2002 £
United Kingdom	5,946,034	5,615,688
Overseas	357,194	402,695
	6,303,228	6,018,383

3. OPERATING SURPLUS

Operating surplus is stated after charging/(crediting):	2003 £	2002 £
Depreciation of owned fixed assets	209,230	155,283
Loss on disposal of fixed assets	33,226	34,187
Auditors' remuneration - as auditors	29,260	28,238
Operating lease costs:		
Land and buildings	-	6,765
Plant and equipment	53,001	50,496
Exceptional income	(12,304)	(119,436)

Exceptional income is a refund from the Inland Revenue of PAYE and national insurance contributions on salaries paid to non-executive directors of the company. (2002 also includes the refund of non-executive directors net salaries and PAYE and national insurance on salaries paid to former officers of the company).

Notes to the Financial Statements

Year ended 31 December 2003

4. PARTICULARS OF EMPLOYEES		
The average number of staff employed by the Group during the financial year amounted to:		
	2003	2002
	No.	No.
Number of staff	91	89
The aggregate payroll costs of the above were:		
	2003	2002
	£	£
Wages and salaries	2,109,428	1,980,684
Social security costs	201,334	182,934
Staff pension contributions	137,322	131,379
	2,448,084	2,294,997
5. INTEREST RECEIVABLE AND SIMILAR INCOME		
	2003	2002
	£	£
Bank interest receivable	132,158	128,647
Other similar income receivable	49	18
	132,207	128,665
6. INTEREST PAYABLE AND SIMILAR CHARGES		
	2003	2002
	£	£
Inland Revenue interest and penalties	–	88,795

Inland Revenue interest and penalties relates to the investigation into certain aspects of ILEX Tutorial College Ltd between 1990 and 1998. The investigation has now been completed.

Notes to the Financial Statements

Year ended 31 December 2003

7. TAX ON SURPLUS ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year	2003	2002
Current tax:	£	£
In respect of the year:		
UK Corporation tax based on the results for the year at 19/30% (2002 - 19/30%)	74,276	3,533
(Over)/under provision in prior year	-	(52,250)
Total current tax	<u>74,276</u>	<u>(48,717)</u>
Deferred tax:		
(Decrease)/Increase in deferred tax provision (note 15)		
Capital allowances	(682)	4,719
Tax on surplus on ordinary activities	73,594	(43,998)
(b) Factors affecting current tax charge		
The tax assessed on the surplus on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2002 - 30%)		
	2003	2002
	£	£
Surplus on ordinary activities before taxation	<u>454,421</u>	<u>391,110</u>
Profit/(loss) on ordinary activities by rate of tax	136,326	117,333
Surplus on transactions with members	(35,333)	(81,790)
Capital allowances in excess of depreciation charged	1,750	(14,012)
Net expenses not deductible for tax purposes	5,060	37,969
Exceptional income not taxable	(3,691)	(35,831)
Other adjustments including marginal relief	(29,836)	(20,136)
Adjustments in respect of prior years	-	(52,250)
Total current tax – note 7(a)	74,276	(48,717)

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £167,772 (2002 - £323,072).

9. PRIOR YEAR ADJUSTMENT

In 1994 the Institute received a payment of £250,000 from one of its subsidiaries, ILEX Tutorial College (ITC), in respect of the leasehold property, College House. This amount was capitalised in ITC's accounts but treated as income in the Institute's accounts. The directors of ITC are of the opinion that this payment did not represent an enhancement in the value of the leasehold property and should have been recognised in the profit and loss account in the year in which it was paid. A prior year adjustment was therefore made in 2002 to remove this asset from the accounts of ITC and the Group.

Notes to the Financial Statements

Year ended 31 December 2003

10. TANGIBLE FIXED ASSETS

Consolidated	Freehold & Leasehold Property	Fixtures & Fittings & Equipment	Motor Vehicles	Computer Equipment	Total
COST	£	£	£	£	£
At 1 January 2003	1,971,476	769,227	261,303	196,688	3,198,694
Additions	–	167,898	12,887	31,978	212,763
Disposals	–	(76,972)	(48,837)	(1,337)	(127,146)
At 31 December 2003	1,971,476	860,153	225,353	227,329	3,284,311
DEPRECIATION					
At 1 January 2003	228,932	375,540	63,297	135,608	803,377
Charge for the year	18,137	118,472	46,143	26,478	209,230
On disposals	–	(57,156)	(23,304)	(891)	(81,351)
At 31 December 2003	247,069	436,856	86,136	161,195	931,256
NET BOOK VALUE					
At 31 December 2003	1,724,407	423,297	139,217	66,134	2,353,055
At 31 December 2002	1,742,544	393,687	198,006	61,080	2,395,317
The Institute					
	Freehold Property	Fixtures & Fittings & Equipment	Motor Vehicles	Computer Equipment	Total
COST	£	£	£	£	£
At 1 January 2003	523,459	243,794	127,771	112,729	1,007,753
Additions	–	1,039	12,887	577	14,503
Disposals	–	(22,689)	(11,842)	–	(34,531)
At 31 December 2003	523,459	222,144	128,816	113,306	987,725
DEPRECIATION					
At 1 January 2003	81,310	149,395	25,504	71,053	327,262
Charge for the year	3,658	8,243	26,031	10,516	48,448
On disposals	–	(10,546)	(2,960)	–	(13,506)
At 31 December 2003	84,968	147,092	48,575	81,569	362,204
NET BOOK VALUE					
At 31 December 2003	438,491	75,052	80,241	31,737	625,521
At 31 December 2002	442,149	94,399	102,267	41,676	680,491

Included in Freehold Property is Freehold Land costing £340,547 which is not depreciated.

Notes to the Financial Statements

Year ended 31 December 2003

11. INVESTMENTS

Consolidated	Dormant subsidiary undertakings
COST	£
At 1 January 2003 and 31 December 2003	101
NET BOOK VALUE	
At 31 December 2003	101
At 31 December 2002	101

The investment in dormant subsidiary undertakings comprises 100% of the ordinary share capital of the following companies both incorporated in England:

ITS (Law Tutors) Limited
Legal Executive Training Limited

The Institute	Unlisted investments
COST	£
At 1 January 2003 and 31 December 2003	1,247,394
NET BOOK VALUE	
At 31 December 2003	1,247,394
At 31 December 2002	1,247,394

The Institute's investments comprise 100% of the ordinary share capital of the following companies all incorporated in England:

ILEX Tutorial College Limited
ILEX Publishing and Advertising Services Limited
ILEX (Paralegal Training) Limited
ITS (Law Tutors) Limited
Legal Executive Training Limited

All of the above companies have been included in the consolidated accounts except ITS (Law Tutors) Ltd and Legal Executive Training Ltd which are both dormant.

12. STOCKS

	Consolidated		The Institute	
	2003	2002	2003	2002
£	£	£	£	
Stock	29,834	37,059	-	-

Notes to the Financial Statements

Year ended 31 December 2003

13. DEBTORS	Consolidated		The Institute	
	2003	2002	2003	2002
	£	£	£	£
Trade debtors	562,937	638,374	-	-
VAT recoverable	-	-	8,901	5,932
Due from Group undertakings	-	-	758,900	608,564
Other debtors	5,468	206	5,468	206
Prepayments and accrued income	157,025	171,544	54,820	65,059
	725,430	810,124	828,089	679,761

There are no amounts due from Group undertakings in the consolidated accounts as these amounts have been eliminated on consolidation.

14. CREDITORS:	Consolidated		The Institute	
	2003	2002	2003	2002
Amounts falling due within one year	£	£	£	£
Subscriptions and fees in advance	222,775	750,139	222,775	750,139
Trade creditors	81,111	88,543	30,627	29,254
Other creditors including taxation and social security:				
Corporation tax	74,276	2,837	11,727	2,775
PAYE and social security	103,367	81,338	52,146	51,081
VAT	85,049	113,794	-	-
Tutor reserve	404,219	355,844	-	-
Accruals and deferred income	486,655	449,280	39,245	41,811
	1,457,452	1,841,775	356,520	875,060

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Consolidated		The Institute	
	2003	2002	2003	2002
	£	£	£	£
Provision brought forward	18,671	13,952	-	-
(Decrease)/Increase in provision	(682)	4,719	-	-
Provision carried forward	17,989	18,671	-	-

Notes to the Financial Statements

Year ended 31 December 2003

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2003 the Group had annual commitments under non-cancellable operating leases as set out below.

Consolidated	Assets other than land and buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 1 year	350	30,278
Within 2 to 5 years	49,192	47,130
	49,542	77,408

At 31 December 2003 the Institute had annual commitments under non-cancellable operating leases as set out below.

The Institute	Assets other than land and buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 2 to 5 years	8,280	5,441

17. RELATED PARTY TRANSACTIONS

During the year, the Institute received income from subsidiary companies totalling £932,755 (2002 - £779,014) in relation to expenditure it had incurred on their behalf and later recharged at cost to them. Similarly, the Institute was also charged £195,964 (2002 - £169,424) by subsidiary companies for expenditure they had incurred on its behalf, which was also recharged at cost. This inter-company income and expenditure has been eliminated from the consolidated financial statements.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

18. COMPANY LIMITED BY GUARANTEE

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

Notes to the Financial Statements

Year ended 31 December 2003

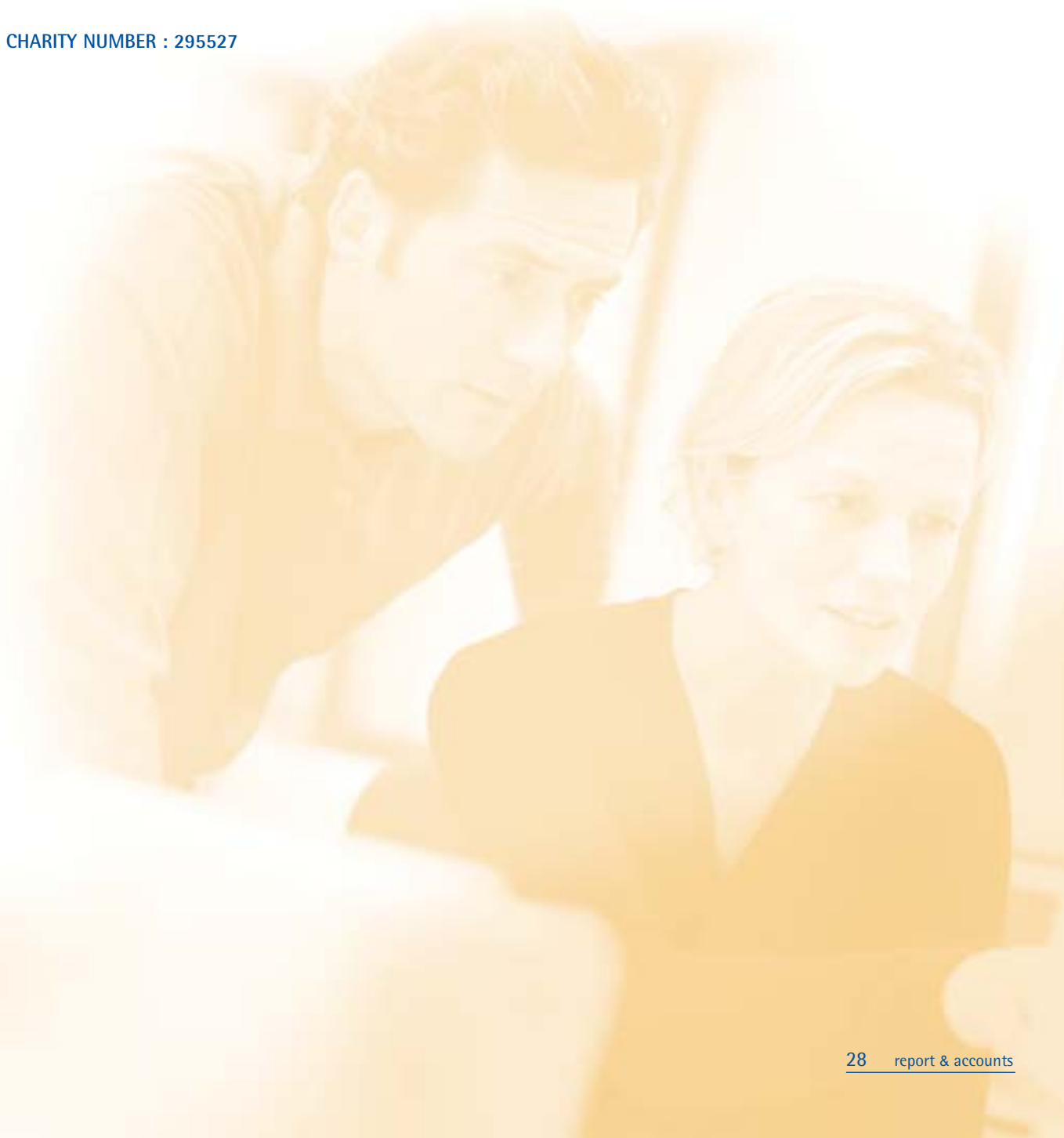
19. NOTES TO THE STATEMENT OF CASH FLOW

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2003 £	2002 £
Increase in cash in period	130,003	544,864
Net funds at 1 January 2003	3,804,827	3,259,963
Net funds at 31 December 2003	3,934,830	3,804,827

ANALYSIS OF CHANGES IN NET FUNDS	At		At
	1 Jan 2003 £	Cash flow £	31 Dec 2003 £
Cash in hand and at bank	3,804,827	130,003	3,934,830
Net funds	3,804,827	130,003	3,934,830

Benevolent Fund Financial Statements

CHARITY NUMBER : 295527



Trustees Annual Report

Year ended 31 December 2003

The Trustees have pleasure in presenting their report and the financial statements of the Charity for the year ended 31st December 2003.

Constitution and Objectives

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

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 dependents.

Board of Trustees

The Trustees who served the Charity during the year, were as follows:

J D Watkins
Mrs D Burleigh
Miss J Arram

The Trustees meet on a regular basis to administer the Charity.

Review of Developments, Activities and Achievements

Income is generated by way of donations, gifts and from investments. The main source of income is from the investments which the Charity holds.

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.

Results

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

Trustees Annual Report

Year ended 31 December 2003

Statement of Trustees' Responsibilities

Law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with Charities Act 1993 and regulations thereunder. They 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.

Investments

These comprise long-term high yielding government securities and short term fixed interest bonds.

Acknowledgments

The Board is grateful to all those who have contributed in any way to its work during 2003.

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.

The Future

We are here to help all members and/or their dependents; 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.

Auditors

The Board recommends the re-appointment of Collett Hulance as auditors.

*Kempston Manor
Kempston
Bedford
MK42 7AB*

*Signed on behalf of the Trustees – Mrs. D Burleigh
Dated: 26 March 2004*

Report of the Auditors to the Trustees of the Institute of Legal Executives Benevolent Fund

Year ended 31 December 2003

We have audited the financial statements on pages 32 to 34, which have been prepared under the historical cost convention and the accounting policies set out on page 34.

Respective Responsibilities of Board of Trustees and Auditors

As described on page 30 the Board of Trustees is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you. We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards 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 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 accounts 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 of the Charity's state of affairs as at 31 December 2003 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Collett Hulance
Chartered Accountants and Registered Auditors
4 Goldington Road
Bedford
MK40 3NF

Dated: 5 April 2004

Statement of Financial Activities

Year ended 31 December 2003

	2003	2002
	£	£
Incoming resources		
Donations and Gifts	4,150	9,493
Investment Income	5,924	6,734
Bank Deposit Interest	182	134
Profit on disposal of Investment	–	263
Total incoming resources	10,256	16,624
Resources expended		
Grants for Assistance	4,813	2,135
Subscription and exam fee grants	765	331
Professional Fees	–	558
Bank Charges	103	107
Total resources expended	5,681	3,131
Net incoming resources	4,575	13,493
Total Funds at 1 January 2003	163,867	150,374
Total Funds at 31 December 2003	168,442	163,867

All amounts relate to continuing activities.

There were no recognised gains or losses other than those included above.

The notes on page 34 form part of these amounts

Balance Sheet

As at 31 December 2003

	Note	2003		2002	
		£	£	£	£
Fixed Assets					
Investments at Cost	2		49,471		49,471
Current Assets					
Corporate Bond Investment at Cost		70,000		70,000	
Cash at Bank		29,525		26,977	
Investment Interest Receivable		<u>20,764</u>		<u>17,977</u>	
		120,289		114,954	
Current liabilities					
Amounts owing to ILEX		1,318		-	
Accruals		<u>-</u>		<u>558</u>	
		1,318		558	
Net current assets			118,971		114,396
Total net assets			168,442		163,867
Unrestricted Funds					
General	3		168,442		163,867

The accounts were approved by the Board of Trustees on 26 March 2004 and signed on its behalf by:

Mrs D Burleigh
Miss J Arram
 Trustees

The notes on page 34 form part of these amounts

Notes to the Accounts

Year ended 31 December 2003

1. Accounting Policies

- a. The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). In preparing the financial statements the Charity follows the recommendations in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' issued in October 2000.
- b. Income from interest and donations is accounted for on a cash received basis.
- c. Expenses are recorded on an accruals basis.
- d. The unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

	2003	2002
	£	£
2. Fixed Asset Investments		
Cost - fixed interest	49,471	49,471
Middle market value of the investments	46,990	49,149
3. General Fund		
At 1 January	163,867	150,374
Amount transferred from income and expenditure accounts	4,575	13,493
At 31 December	168,442	163,867

4. Related party transactions

The Institute of Legal Executives is responsible for the administration of the Charity and bears its administration expenses. The Institute of Legal Executives also collects certain income on behalf of the Charity and there may, therefore, at any time be a balance outstanding between the Charity and The Institute of Legal Executives.

Institute of Legal Executives

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