

COMPANY REGISTRATION NUMBER: 10245337

REGISTRAR OF
COMPANIES

The Institute of Legal Finance & Management
Company Limited by Guarantee
Financial Statements
30 June 2017



BURGESS HODGSON LLP
Chartered accountant & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

The Institute of Legal Finance & Management

Company Limited by Guarantee

Financial Statements

Period from 22 June 2016 to 30 June 2017

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The Institute of Legal Finance & Management

Company Limited by Guarantee

Directors' Report

Period from 22 June 2016 to 30 June 2017

The directors present their report and the financial statements of the company for the period ended 30 June 2017.

Principal activities

The Institute of Legal Finance and Management (ILFM) is the UK's leading membership organisation in the legal sector that provides a range of services designed exclusively for legal finance experts and legal management professionals, such as legal cashiers, accounts managers, COFA's and practice managers, as well as sole practitioners who deal with these roles.

ILFM provided its services and support of members through an unincorporated organisation until 30th June 2016, when the The Institute of Legal Finance & Management Limited was formed to acquire the activities. The services and membership were transferred on 1st July 2016. Accordingly these financial accounts for the first period of activity do not show comparative balances.

Directors

The directors who served the company during the period were as follows:

A J Brassington	(Appointed 16 February 2017)
S J Charlton	(Appointed 22 June 2016)
L F Dixon	(Appointed 22 June 2016)
J J Ellis	(Appointed 1 July 2016)
A C Harris	(Appointed 22 June 2016)
R Hill	(Appointed 22 June 2016)
I R Johnson	(Appointed 16 February 2017)
C I Joyce	(Appointed 22 June 2016)
S Siggers	(Appointed 1 July 2016)
D Whelan	(Appointed 31 July 2016)
S Williams	(Appointed 1 July 2016)
P A Oliver	(Served from 1 July 2016 to 30 September 2016)

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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Institute of Legal Finance & Management

Company Limited by Guarantee

Directors' Report *(continued)*

Period from 22 June 2016 to 30 June 2017

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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 24/11/17 and signed on behalf of the board by:



TM Kidd
Company Secretary

Registered office:
2nd Floor Marlowe House
109 Station Road
Sidcup
Kent
England
DA15 7ET

The Institute of Legal Finance & Management

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Institute of Legal Finance & Management

Period from 22 June 2016 to 30 June 2017

Opinion

We have audited the financial statements of The Institute of Legal Finance & Management (the 'company') for the period ended 30 June 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Institute of Legal Finance & Management

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Institute of Legal Finance & Management *(continued)*

Period from 22 June 2016 to 30 June 2017

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial period 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.

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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

The Institute of Legal Finance & Management

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Institute of Legal Finance & Management *(continued)*

Period from 22 June 2016 to 30 June 2017

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The Institute of Legal Finance & Management

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Institute of Legal Finance & Management *(continued)*

Period from 22 June 2016 to 30 June 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



08th March 2018

Mark Laughton FCCA (Senior Statutory Auditor)

For and on behalf of
Burgess Hodgson LLP
Chartered accountant & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

The Institute of Legal Finance & Management

Company Limited by Guarantee

Statement of Comprehensive Income

Period from 22 June 2016 to 30 June 2017

	Note	Period from 22 Jun 16 to 30 Jun 17 £
Turnover		396,405
Cost of sales		<u>104,741</u>
Gross profit		291,664
Administrative expenses		<u>314,972</u>
Operating loss		(23,308)
Other interest receivable and similar income		<u>912</u>
Loss before taxation	8	(22,396)
Tax on loss		<u>—</u>
Loss for the financial period		<u>(22,396)</u>
Reserve contribution from unincorporated Association		<u>179,760</u>
Total comprehensive income for the period		<u>157,364</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 13 form part of these financial statements.

The Institute of Legal Finance & Management

Company Limited by Guarantee

Statement of Financial Position

30 June 2017

	Note	£	30 Jun 17 £
Fixed assets			
Tangible assets	9		9,816
Current assets			
Debtors	10	28,898	
Cash at bank and in hand		<u>183,775</u>	
		212,673	
Creditors: amounts falling due within one year	11	<u>65,125</u>	
Net current assets			<u>147,548</u>
Total assets less current liabilities			<u>157,364</u>
Net assets			<u>157,364</u>
Capital and reserves			
Profit and loss account			<u>157,364</u>
Reserves			<u>157,364</u>

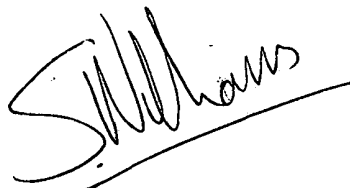
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 24/11/2017, and are signed on behalf of the board by:

J J Ellis
Director



S Williams
Director



Company registration number: 10245337

The notes on pages 10 to 13 form part of these financial statements.

The Institute of Legal Finance & Management
Company Limited by Guarantee
Statement of Changes in Equity
Period from 22 June 2016 to 30 June 2017

	Profit and loss account £
At 22 June 2016	—
Loss for the period	(22,396)
Other comprehensive income for the period:	
Reserve contribution from unincorporated Association	179,760
Total comprehensive income for the period	<u>157,364</u>
At 30 June 2017	<u>157,364</u>

At commencement the Company received a contribution of £179,760 representing the closing reserves from the unincorporated Institute of Legal & Finance Management.

The notes on pages 10 to 13 form part of these financial statements.

The Institute of Legal Finance & Management

Company Limited by Guarantee

Notes to the Financial Statements

Period from 22 June 2016 to 30 June 2017

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is 2nd Floor Marlowe House, 109 Station Road, Sidcup, Kent, DA15 7ET, England.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Equipment - 25% straight line

The Institute of Legal Finance & Management

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 22 June 2016 to 30 June 2017

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

The Institute of Legal Finance & Management

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 22 June 2016 to 30 June 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Activities transferred to the institute

The company agreed to continue the activities of the unincorporated Institute of Legal Finance & Management from 1st July 2016. The previous organisation transferred all assets and obligations to the company on that date and made a contribution to the Company of £179,760 in order to meet the obligations to members and students.

5. Company limited by guarantee

The company is a company limited by guarantee. The members of the company are persons whose name is entered in the Register of Members of the Institute and Membership shall be construed accordingly. The liability in respect of the guarantee is limited to £1 for each member.

6. Auditor's remuneration

	Period from 22 Jun 16 to 30 Jun 17 £
Fees payable for the audit of the financial statements	<u>2,897</u>

7. Employee numbers

The average number of persons employed by the company during the period amounted to 5.

The Directors acting as officers of the Company are not paid and are excluded from the employee numbers above.

The Institute of Legal Finance & Management

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Period from 22 June 2016 to 30 June 2017

8. Profit before taxation

Loss before taxation is stated after charging:

**Period from
22 Jun 16 to
30 Jun 17
£
2,602**

Depreciation of tangible assets

9. Tangible assets

	Equipment £	Total £
Cost		
At 22 June 2016	—	—
Additions	<u>12,418</u>	<u>12,418</u>
At 30 June 2017	<u>12,418</u>	<u>12,418</u>
Depreciation		
At 22 June 2016	—	—
Charge for the period	<u>2,602</u>	<u>2,602</u>
At 30 June 2017	<u>2,602</u>	<u>2,602</u>
Carrying amount		
At 30 June 2017	<u>9,816</u>	<u>9,816</u>

10. Debtors

	30 Jun 17 £
Trade debtors	3,840
Other debtors	<u>25,058</u>
	<u>28,898</u>

11. Creditors: amounts falling due within one year

	30 Jun 17 £
Trade creditors	6,690
Social security and other taxes	2,499
Other creditors	<u>55,936</u>
	<u>65,125</u>

12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	30 Jun 17 £
Later than 1 year and not later than 5 years	<u>70,944</u>