

IOL EDUCATIONAL TRUST

England & Wales · Charity number 1090263

Details

Other names	THE INSTITUTE OF LINGUISTS EDUCATIONAL TRUST, CIOL Qualifications
Status	Registered
Legal form	Charitable company
Company number	04297497
Registered	2002-01-25
Register	View on the Charity Commission register

Contact

Address	Star House Star Hill Rochester Kent ME1 1UX
Phone	02079403100
Email	info@ciol.org.uk
Website	www.ciol.org.uk

Activities

Objects: The Company is established with the purpose of promoting the teaching, learning and study of modern languages in pursuit of the advancement of educational learning and the dissemination of information, understanding and knowledge of all aspects of modern languages. In particular it determines standards and criteria requisite to the setting and holding of exams for learners of modern languages and professional linguists such that they attain recognition of their proficiency in one or more such languages.

Activities: The IoL Educational Trust promotes the teaching and study of languages and of cognate educational subjects. It also promotes the advancement of educational learning in and the dissemination of knowledge of languages in all their aspects, in particular the determining of standards and criteria and the setting and holding of examinations for students of languages.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£593,925	£575,203	£-39,954	5
2023-08-31	£455,203	£425,780	-	-
2022-08-31	£642,545	£1,019,525	£-479,068	10
2021-08-31	£1,149,667	£1,146,728	£-102,088	12
2020-08-31	£1,080,648	£1,331,511	£-105,027	16

Trustees

Name	Role	Appointed
Hugh Morgan	Chair	2022-04-22
Anette Schroeder-Rossell		2022-04-29
Claudia Lindner		2022-04-29
Dr Silvia Colaiacomo		2022-04-29
Steve Doswell		2023-04-28
Yolanda Vercher		2024-04-25

IOL EDUCATIONAL TRUST

England & Wales - Charity number 1090263

Accounts

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

IOL EDUCATIONAL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2024

Trustees	H J Morgan, Chair (Appointed 25 April 2024) M A Cazzoli, Vice Chair (Appointed 25 April 2024) S Doswell, Chair of CIOL Council S Colaiacomo, Trustee C Lindner, Trustee A S Rossell, Trustee Y Vercher, Trustee (Appointed 25 April 2024) N Mair, Trustee Director (Retired 25 April 2024) J Wyburd, Former Chair (Retired 25 April 2024)
Company registered number	04297497
Charity registered number	1090263
Registered office	Star House Star Hill Rochester ME11UX
Company secretary	TC Kent Limited
Independent auditors	Cooper Parry Group Limited Statutory Auditor New Derwent House 69-73 Theobalds Road Holborn London WC1X 8TA

IOL EDUCATIONAL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities

Aims and objectives of the charitable company

The IoL Educational Trust (IoLET) is the associated charitable company of the Chartered Institute of Linguists and has the charitable object of:

The promotion of the teaching and study of modern languages and of cognate educational subjects and in or towards the advancement of educational learning, and the dissemination of knowledge of, modern languages in all their aspects, and in particular the determining of standards and criteria and the setting and holding of examinations for students of modern languages and other persons desiring to attain recognition of their proficiency in one or more of such languages.

Review of the business

IoLET has generated an operating deficit of £108k in the 2023/24 financial year, following a surplus after exceptional items. Demand for qualifications remains lower than in prior years for the key public service interpreting and translation qualifications which enable and support the pipeline of qualified language professionals, but significant cost savings and efficiencies have reduced IoLET's deficit considerably.

CIOL Council has voted to support and underwrite financially the delivery of qualifications for the financial year 2023/24 (as it did in 2022/23) which continues to underpin the charitable company. CIOL's Council considers the professional qualifications that are delivered in its name to be a vital part of delivering the mission and public benefit of the Chartered Institute of Linguists, in supporting and qualifying linguists to the highest standards of professional and linguistic competence.

In this wider endeavour, qualifications and membership work together to support the pathways which accredit, develop, support and represent professional linguists. A key part of CIOL's Royal Charter is ensuring that there is a pipeline of qualified language professionals with the linguistic skills necessary to support UK public services, education and to enable the UK and other countries to prosper and thrive in a global economy.

Key financial performance indicators

IoLET's final operating deficit was £108k. As above IoLET has a letter of ongoing financial support from CIOL which gave access to additional cash and investment reserves to support the ongoing provision of high-quality language qualifications in 2023/24. CIOL Council consider the provision of professional language qualifications a key part of delivering CIOL's Royal Charter objects and wider purpose.

Financial review

Principal funding sources

IoLET's funding comes primarily from exam fees. Expenditure in the year was principally related to the development, production, online delivery, assessment and marking of exams, with additional expenditure on ongoing Ofqual compliance, quality and assurance activities such as Assessment Associate (AA) training, policy development and update etc.

Reserves policy

IoLET has a Reserves & Investment Policy based on holding sufficient cash to cover seasonal fluctuations in cash balances caused by inflows of fees and outflows of third-party costs. CIOL Council has approved the use of CIOL's cash balances and reserves to support IoLET as needed.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Future plans

With the degree-level Certificate in Translation (CertTrans) now established in the UK and international marketplace, CIOL now has a benchmark professional qualification for early career linguists, alongside the longstanding master's level Diploma in Translation (DipTrans) and the UK-orientated Diploma in Public Service Interpreting (DPSI). To this, CIOL added Language Level Assessments and Certified English in 2023, as assessments of spoken language skills which draw on approaches successfully used in major government contracts.

Cost savings, increased productivity and systems improvements mean that if market conditions improve and candidate numbers increase, IoLET will see improved financial performance. IoLET's cost base is transformed versus prior years and unrecognisable from the cost base pre-pandemic.

As part of the Chartered Institute of Linguists' wider mission CIOL Qualifications continue to underpin professionalism within the languages sector; to provide the routes to qualifications that underpin the value of professional linguists as well as the wider educational, social and cultural infrastructure of languages, which supports learners to become future exam candidates and successful linguists. For this reason, the Chartered Institute of Linguists is committed to their ongoing support.

Structure, governance and management
Charity constitution

In 2001 the Educational Trust became a charitable company (called initially the Institute of Linguists Educational Trust and then, with the grant of Charter, the name was changed to IoL Educational Trust (IoLET). It is the Associated Charity of CIOL and is registered as a charitable company limited by Guarantee (Registration No 04297497) with a Memorandum and Articles of Association. The IoL Educational Trust is a Registered Charity (Charity Number 1090263).

The members of IoLET are appointed annually by the Council of CIOL and normally comprise the CIOL Council members themselves. CIOL Council members confirm by signature their acceptance of appointment. A register of members is maintained by CIOL.

CIOL Council members appoint Trustee Directors to form the Educational Trust Board (ETB). Appointment of the ETB normally takes place annually at the IoLET AGM. The ETB comprises at least five members, which includes ex officio the Chair of Council of the Chartered Institute of Linguists who periodically appoint a Chair of ETB from their number.

Recruitment, training, induction and appointment of new Trustee Directors

CIOL recognises the importance of providing effective induction and training for members of the ETB. Their induction includes participation in an annual joint CIOL/CIOL Qualifications Strategy Awayday, regular 'sounding boards' on strategy and futures, comprehensive briefing documents on policies and performance and induction through online meetings with the Chief Executive and Chair of ETB, the Head of Qualifications & Responsible Officer and the Executive Officer.

Organisational structure

The ETB is responsible for the overall strategy, sustainability and performance of IoLET and is accountable for the ongoing quality and compliance of registered qualifications with Ofqual, QiW and CCEA regulations and with the range of regulatory responsibilities that come with that.

The ETB monitors the performance of qualifications and advises on quality and standards issues, development matters, reviews and on wider CIOL work in standards and other non-regulated assessment activities.

The ETB supports, challenges and guides the Chief Executive and Head of Qualifications & Responsible Officer in all aspects of the development and delivery of qualifications and work in standards and

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

assessment delivered through IoLET and is responsible for the good use of resources in line with the IoLET Memorandum and Articles of Association.

Key management remuneration

The ETB consider the Chief Executive and the Head of Qualifications to be the key management personnel of IoLET. The pay of senior staff is set with reference to the prevailing rates for the Charity, Education, Awarding Organisation and Membership sectors and is reviewed annually as part of the budget setting process.

Related parties

The IoL Educational Trust is the associated charity of the Chartered Institute of Linguists. The ETB includes the Chair of Council of the Chartered Institute of Linguists.

Risk management

The ETB closely monitors the performance and delivery of exams in the light of the prevailing market, economic, and political and social context and reviews a full risk register on a six-monthly basis. CIOL's successful move to wholly online delivery and remote working during the pandemic significantly mitigated the costs and risks associated with face-to-face and physical exam delivery.

Approved by order of the members of the board of Trustees on and signed on their behalf by: 19/12/2024



.....
H.J. Morgan
(Chair)

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees 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.

Approved by order of the members of the board of Trustees on and signed on its behalf by:



.....
H.J. Morgan
Chair

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IOL EDUCATIONAL TRUST

Opinion

We have audited the financial statements of IOL Educational Trust (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IOL EDUCATIONAL TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon.

The Trustees 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IOL EDUCATIONAL TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

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. We discussed with the directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focused on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. Our tests include agreeing the financial statement disclosures to underlying supporting documentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. In assessing the potential risks of material misstatement we obtained an understanding of; the entities operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement. We did not identify any matters relating to non-compliance with laws and regulations relating to fraud.

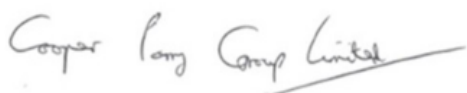
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IOL EDUCATIONAL TRUST (CONTINUED)

Use of our report

This report is made solely to the charitable Company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable Company'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 charitable Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Cooper Parry Group Limited

Jane Wills (Statutory auditor)
New Derwent House
69-73 Theobalds Road
Holborn
London
WC1X 8TA

Date: 19/12/2024
|

Cooper Parry Group Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

IOL EDUCATIONAL TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donated Services	2	-	73,195	73,195	-
Examinations	3	-	392,905	392,905	454,892
Investment income	4	-	610	610	311
Exceptional item	5	-	127,215	127,215	-
Total income		-	593,925	593,925	455,203
Expenditure on:					
Charitable activities:	6				
Examination costs		-	402,637	402,637	425,780
Other charitable activities		-	172,566	172,566	(390,969)
Total expenditure		-	575,203	575,203	34,811
Net movement in funds		-	18,722	18,722	420,392
Reconciliation of funds:					
Total funds brought forward		10,000	(68,676)	(58,676)	(479,068)
Net movement in funds		-	18,722	18,722	420,392
Total funds carried forward		10,000	(49,954)	(39,954)	(58,676)

Continuing operations

All income and expenditure has arisen from continuing activities.

IOL EDUCATIONAL TRUST
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REGISTERED NUMBER: 04297497

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	218	954
		<u>218</u>	<u>954</u>
Current assets			
Debtors	11	6,452	10,006
Cash at bank and in hand		33,790	25,024
		<u>40,242</u>	<u>35,030</u>
Creditors: amounts falling due within one year	12	(70,432)	(75,309)
Net current liabilities		(30,190)	(40,279)
Total assets less current liabilities		(29,972)	(39,325)
Creditors: amounts falling due after more than one year	13	(9,982)	(19,351)
Net liabilities excluding pension asset		(39,954)	(58,676)
Total net assets		<u>(39,954)</u>	<u>(58,676)</u>
Charity funds			
Restricted funds	14	10,000	10,000
Unrestricted funds	14	(49,954)	(68,676)
Total funds		<u>(39,954)</u>	<u>(58,676)</u>

The financial statements were approved and authorised for issue by the Trustees on Complete section and signed on their behalf by: 19/12/2024



.....
H.J. Morgan
Chair

IOL EDUCATIONAL TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	21	17,526	(45,804)
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		-	387
Interest received		610	311
Net cash provided by investing activities		610	698
Cash flows from financing activities			
Loan repayments in year		(9,369)	(9,998)
Net cash used in financing activities		(9,369)	(9,998)
Change in cash and cash equivalents in the year		8,767	(55,104)
Cash and cash equivalents at the beginning of the year		25,024	80,128
Cash and cash equivalents at the end of the year	22	<u><u>33,791</u></u>	<u><u>25,024</u></u>

IOL EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

1.2 Going concern

The Trust is dependent on the continued support of the Chartered Institute of Linguists to ensure it is able to meet its debts as they fall due. The Council of the Chartered Institute of Linguists have confirmed their commitment to support the Trust financially for a period of at least twelve months from the signing of these accounts. Accordingly, the Trustees consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

1.3 Significant judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Revenue for provision of services is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured. The Trust provide exams, the date of revenue recognition should be the date that the exam has taken place.

Costs are to be recognised at the date the service is provided, not the date of the invoice or payment. Accrued expenses are based on this.

1.4 Income

Incoming resources from charitable activities are recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Investment income arises from interest bearing bank accounts and is recognised on a receivable basis.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified as follows:

Examination costs comprising expenditure, including staff costs, directly attributable to the activity on an accruals basis. Where costs cannot be directly attributed they have been allocated to activities on a costs basis.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on the following basis:

Database	-	33% per annum on a straight line basis
Computer equipment	-	25% per annum on a straight line basis

1.7 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.8 Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.9 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charitable company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measure at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the charitable company's cash management.

Financial liabilities and equity instruments issued by the charitable company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities. Equity instruments issued by the charitable company are recorded at the proceeds received, net of direct issue costs.

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.11 Donated Services

The charity receives donated services from supporting company, including shared overheads and staff costs. These are recognised as income in the financial statements at the fair value of the resources provided. Corresponding expenses are recorded to reflect the use of these services, ensuring a true and fair view of the charity's financial position in compliance with FRS102 SORP.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

2. Donated Services

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations			
Overheads	27,550	27,550	-
Staff salaries costs	45,645	45,645	-
Donated Services	73,195	73,195	-

3. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £
Examination fees	384,582	384,582
Centre fees	-	-
Registration fees	8,323	8,323
	392,905	392,905

	Unrestricted funds 2023 £	Total funds 2023 £
Examination fees	393,782	393,782
Centre fees	56,145	56,145
Registration fees	4,965	4,965
	454,892	454,892

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

4. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Deposit account interest	610	610
	<u>610</u>	<u>610</u>

	Unrestricted funds 2023 £	Total funds 2023 £
Deposit account interest	311	311
	<u>311</u>	<u>311</u>

5. Exceptional item

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
CIOL Donated Support	127,215	127,215	-
	<u>127,215</u>	<u>127,215</u>	<u>-</u>

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Total 2024 £
Direct costs	403,717	403,717
Support costs	171,486	171,486
	<u>575,203</u>	<u>575,203</u>

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

6. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2023 £	Total 2023 £
Direct costs	425,780	425,780
Support costs	(390,969)	(390,969)
	<u>34,811</u>	<u>34,811</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Direct costs	403,717	-	403,717
Support costs	-	171,486	171,486
	<u>403,717</u>	<u>171,486</u>	<u>575,203</u>

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Direct costs	425,780	-	425,780
Support costs	-	(390,969)	(390,969)
	<u>425,780</u>	<u>(390,969)</u>	<u>34,811</u>

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2024 £	Total funds 2024 £
Staff salaries	232,020	232,020
Social security	19,095	19,095
Pensions	18,334	18,334
Printing	270	270
Marketing	464	464
Cost of setting exams	86,115	86,115
Examiners' fees & expenses	28,894	28,894
Moderators' fees & expenses	14,446	14,446
Interlocutors' fees	4,079	4,079
	403,717	403,717
	Activities 2023 £	Total funds 2023 £
Staff salaries	213,129	213,129
Social security	25,371	25,371
Pensions	8,496	8,496
Printing	9,808	9,808
Marketing	17,330	17,330
Cost of setting exams	86,479	86,479
Examiners' fees & expenses	36,347	36,347
Moderators' fees & expenses	23,079	23,079
Interlocutors' fees	5,741	5,741
	425,780	425,780

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2024 £	Total funds 2024 £
Insurance	485	485
Sundries	1,334	1,334
Bank charges	7,633	7,633
Telephone	28,212	28,212
Postage & Stationery	90	90
General expenses	28,685	28,685
Consultancy fees	238	238
Accountancy fees	49,800	49,800
Plant and machinery	71	71
Computer equipment	666	666
Auditors' remuneration	8,627	8,627
Overhead staff salaries	45,645	45,645
	171,486	171,486

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Activities 2023 £	Total funds 2023 £
Hire of plant and machinery	624	624
Insurance	682	682
Sundries	1,991	1,991
Management fee	183,779	183,779
Bank charges	9,227	9,227
Telephone	27,107	27,107
Wages	63,662	63,662
Social security	7,578	7,578
Pensions	12,196	12,196
Postage and stationery	973	973
General expenses	1,933	1,933
Consultancy fees	2,500	2,500
Annual prize giving	597	597
Accountancy fees	55,282	55,282
Fixtures and fittings	524	524
Computer equipment	1,606	1,606
Auditors' remuneration	7,921	7,921
Intercompany loan write off	(769,151)	(769,151)
	<u>(390,969)</u>	<u>(390,969)</u>

8. Staff costs

The average number of persons employed by the Company during the year was as follows:

	2024 No.	2023 No.
Employees	<u>5</u>	<u>9</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charitable company comprise the Chief Executive and the Head of Qualifications and Responsible Officer. The total employee benefits of key management personnel chargeable to the Trust were £129,911 (2023: £117,144).

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, no Trustee expenses have been incurred (2023 - £NIL).

10. Tangible fixed assets

	Computer equipment £	Plant and machinery £	Total £
Cost or valuation			
At 1 September 2023	4,338	98,446	102,784
At 31 August 2024	4,338	98,446	102,784
Depreciation			
At 1 September 2023	3,491	98,339	101,830
Charge for the year	666	70	736
At 31 August 2024	4,157	98,409	102,566
Net book value			
At 31 August 2024	181	37	218
At 31 August 2023	847	107	954

11. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	395	-
Other debtors	-	1,020
Prepayments and accrued income	6,057	8,986
	6,452	10,006

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

12. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Other loans	10,649	10,649
Trade creditors	598	285
Other taxation and social security	5,365	6,875
Other creditors	3,707	4,070
Accruals and deferred income	50,113	53,430
	<u>70,432</u>	<u>75,309</u>

13. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Other loans	<u>9,982</u>	<u>19,351</u>

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

14. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Balance at 31 August 2024 £
Unrestricted funds				
Reserves	(68,676)	520,730	(502,008)	(49,954)
Restricted funds				
The Susan Tolman Award Fund	5,000	-	-	5,000
The Simeon Potter Book Fund	5,000	-	-	5,000
	10,000	-	-	10,000
Total of funds	(58,676)	520,730	(502,008)	(39,954)

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2022 £	Transfers in/out £	Balance at 31 August 2023 £
Unrestricted funds			
General Funds - all funds	(489,068)	420,392	(68,676)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	5,000	-	5,000
	10,000	-	10,000
Total of funds	(479,068)	420,392	(58,676)

15. Summary of funds

Summary of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Balance at 31 August 2024 £
General funds	(68,676)	520,730	(502,008)	(49,954)
Restricted funds	10,000	-	-	10,000
	(58,676)	520,730	(502,008)	(39,954)

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

15. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 September 2022 £	Transfers in/out £	Balance at 31 August 2023 £
General funds	(489,068)	420,392	(68,676)
Restricted funds	10,000	-	10,000
	<u>(479,068)</u>	<u>420,392</u>	<u>(58,676)</u>

16. Summary of funds - continued

The Susan Tolman Continuing Professional Development Prize exists to provide a prize to the best DPSI candidate. During the year £nil (2023: £nil) was awarded and is deemed to be the interest earned on the fund.

The Simeon Potter Award has been generously established and is awarded to the best CBS candidate. During the year £nil (2023: £nil) was awarded and is deemed to be the interest earned on the fund.

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	218	218
Current assets	10,000	30,242	40,242
Creditors due within one year	-	(70,432)	(70,432)
Creditors due in more than one year	-	(9,982)	(9,982)
Total	<u>10,000</u>	<u>(49,954)</u>	<u>(39,954)</u>

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	954	954
Current assets	10,000	25,030	35,030
Creditors due within one year	-	(75,309)	(75,309)
Creditors due in more than one year	-	(19,351)	(19,351)
Total	<u>10,000</u>	<u>(68,676)</u>	<u>(58,676)</u>

18. Employee benefit obligations

The charitable company offers a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company. The unpaid contributions included in other creditors at the balance sheet date amount to £2,923 (2022: £3,370).

19. Related party disclosures

During the year, the Chartered Institute of Linguists (an associated company) fully wrote off the remaining balance as a donation. This included the total amount owed by the charity for management charges and loans, amounting to £127,215.

20. Liability of members

The charitable company is limited by guarantee and has no share capital. In the event of the charitable company being wound-up, the liability in respect of the guarantee is limited to £1 per member of the charitable company during the time they are a member or within one year of ceasing to be a member, as stated in the Memorandum and Articles of Association.

IOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income for the period (as per Statement of Financial Activities)	18,722	420,392
Adjustments for:		
Depreciation charges	737	2,130
Interest received	(610)	(311)
Decrease / (increase) in debtors	3,554	14,494
(Decrease)/increase in creditors	(4,877)	(482,509)
Net cash provided by/(used in) operating activities	17,526	(45,804)

22. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	33,791	25,024
Total cash and cash equivalents	33,791	25,024

23. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	25,024	8,766	33,790
Debt due within 1 year	(10,649)	-	(10,649)
Debt due after 1 year	(19,351)	9,369	(9,982)
	(4,976)	18,135	13,159

IOL EDUCATIONAL TRUST

England & Wales - Charity number 1090263

Accounts

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 August 2023
for
IoL Educational Trust
(A Company Limited by Guarantee)**

IoL Educational Trust
Contents of the Financial Statements
for the year ended 31 August 2023

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IoL Educational Trust
Report of the Trustees
for the year ended 31 August 2023

The Trustees present their annual report together with the audited financial statements for the year ended 31 August 2023.

Objectives and activities

Objectives and aims

The IoL Educational Trust (IoLET) is the associated charitable company of the Chartered Institute of Linguists, and has the charitable object of:

The promotion of the teaching and study of modern languages and of cognate educational subjects and in or towards the advancement of educational learning, and the dissemination of knowledge of, modern languages in all their aspects, and in particular the determining of standards and criteria and the setting and holding of examinations for students of modern languages and other persons desiring to attain recognition of their proficiency in one or more of such languages.

Public benefit

The Trustees confirm that they have complied with the duty of section 4 of the Charities Act 2011 to have due regard to the Charities Commission's general guidance and supplementary advice on public benefit in determining the activities undertaken by the Trust for the advancement of education. The Trustees believe that they can demonstrate that they clearly meet the two key principles of public benefit namely:

Principle 1 There must be an identifiable benefit or benefits.

1a It must be clear what the benefits are and 1b The benefits must be related to the aims

The Trustees consider that in fulfilling the main aim of the Trust, namely the advancement and development of education, teaching and qualifications in a wide range of languages, contributing fully to the development of vocational skills in the UK and worldwide, enabling holders of Trust qualifications to make a contribution to the field of languages in general, including public service interpreting and translation.

Principle 2 Benefits must be to the public or a section of the public.

2a The beneficiaries must be appropriate to the aims and 2b Where the benefit is to a section of the public, the opportunity to benefit must not be restricted by geographical or other restrictions or by the ability to pay any fees and 2c People in poverty must not be excluded from the opportunity to benefit.

The Trust seeks to benefit the public by providing qualifications and assessments in spoken languages, bilingual skills, public service interpreting, and translation. It is recognised as an Awarding Organisation by the Office of Qualifications and Examinations Regulation (Ofqual). Three of its qualifications are registered on the UK's National Qualifications Framework. The Diploma in Public Service Interpreting (DPSI) is accepted for registration on the National Register of Public Service Interpreters (NRPSI) which is used by public services to access interpreters for police, legal, health and local government contexts.

A key part of the Trust's specific experience is in designing specialist accredited assessments to enable successful candidates to demonstrate fitness to practice in their chosen areas. Detailed qualification specifications are provided so that course providers can develop and teach appropriate courses. Exam fee income represents the major part of the Trust's income and the Trust works hard to ensure that exam fees are not an insurmountable barrier for potential beneficiaries. Despite financial pressures, price increases are restricted to rates as near as possible to inflation, in order that access to the Trust's qualifications is as wide as possible.

Achievement and performance

Key financial performance indicators

IoLET's final operating deficit was £348k. As below IoLET has a letter of ongoing financial support from the Chartered Institute of Linguists (CIOL) which gave access to additional cash and investment reserves to support the ongoing provision of high-quality language qualifications in 2022/23. CIOL's governing Council consider the provision of professional language qualifications by IoLET as a key part of delivering CIOL's Royal Charter objects and wider purpose.

IoL Educational Trust
Report of the Trustees
for the year ended 31 August 2023

Achievement and performance

Review of the business

This year IoLET has returned a significant loss of £348k. CIOL's core qualifications portfolio has been hit by reduced demand for the key public service interpreting and translation qualifications which enable and support the pipeline of qualified language professionals.

Difficult market conditions for qualifications caused by the global geopolitical and economic context and inflation and high interest rates in the UK, have combined to require a major call on CIOL's reserves to support the ongoing provision of high-quality language qualifications under the CIOL Qualifications (CIOLQ) brand through IoLET. In January 2023 CIOL Council voted to support and underwrite financially the delivery of qualifications for the financial year 2022/23, which has underpinned the charitable company through these losses.

More positively, our new qualification, the Certificate in Translation (CertTrans) which was launched in November 2022 continues to attract new candidates and this new qualification is achieving its objectives of opening a broader UK and international market for CIOL's qualifications and entry to CIOL membership.

However, the scale of losses provoked by the downturn in overall candidate demand in 2022 and 2023 has necessitated cuts in staffing and savings across the board. This adverse context is expected to continue into 2023/24 with more cuts and savings coming in the year ahead.

CIOL has formalised an arrangement with IoLET to forgo the accumulated intercompany debt from 2021/22 and 2022/23. This was approved at CIOL Council in November 2023. The impact of this improves the net reserves of IoLET by £769k. Taking into account the operating deficit of £348k and the forgoing of the intercompany debt of £769k, the outturn for IoLET, for the 31st August 2023, is a positive £420k.

IoLET's reserves position was minus £68k at 31st August 2023, however CIOL and IoLET's combined reserves policy enable IoLET to call on the reserves of CIOL as needed. CIOL's reserves at 31st August 2023 exceeded £1m before the reduction of £769k.

Supporting IoLET through these difficult trading conditions has stretched CIOL's finances and reserves considerably, but CIOL's Council considers the professional qualifications which are delivered in its name to be a vital part of delivering the mission and public benefit of the Chartered Institute of Linguists in supporting and qualifying linguists to the highest standards of professional and linguistic competence.

In this wider endeavour, qualifications and membership work together to support the pathways which accredit, develop, support and represent professional linguists. A key part of CIOL's Royal Charter is ensuring that there is a pipeline of qualified language professionals with the linguistic skills necessary to support UK public services, education and to enable the UK and other countries to prosper and thrive in a global economy. This is the reason CIOL has continued to support and underwrite the losses IoLET is making.

Financial review

Principal funding sources

IoLET's funding comes primarily from exam fees. Expenditure in the year was principally related to the development, production, online delivery, assessment and marking of exams, with additional expenditure on ongoing Ofqual compliance, quality and assurance activities such as Assessment Associate (AA) training, policy development and update etc.

Reserves policy

IoLET has a Reserves & Investment Policy based on holding sufficient cash to cover seasonal fluctuations in cash balances caused by inflows of fees and outflows of third-party costs. Given losses in 2022/23 it has had to receive several cash injections from CIOL and expects to continue to need ongoing support in 2023/24. It was agreed in November 2023 by CIOL Council that the cash injections made in this and prior years will be written off to enable IoLET to plan ahead without the burden of past losses to focus on maximising the success of the qualifications portfolio.

IoL Educational Trust
Report of the Trustees
for the year ended 31 August 2023

Future plans

With the degree-level Certificate in Translation (CertTrans) now established in the marketplace, CIOL now has a benchmark professional qualification for early career linguists, with much broader scope than the longstanding masters level Diploma in Translation (DipTrans) and the UK-only Diploma in Public Service Interpreting (DPSI). To this IoLET has added Language Level Assessments and Certified English in 2023 as assessments of spoken language skills which draw on approaches successfully used in major government contracts.

Both the CertTrans and DipTrans attracted candidates from over 20 countries worldwide in 2023, albeit not in the volumes that were needed to cover the full costs of their delivery with the staffing and overheads we carried at that time. The qualifications are, surplus-generating when fixed costs and overheads are removed, meaning the key challenge is to increase volumes whilst reducing staffing and overhead costs. CIOL exited an expensive long-term office lease in July 2023 which will reduce the overheads passed on to IoLET and IoLET reduced core staffing from ten to seven during the financial year further improving the profile of costs for the future.

Of ongoing concern is the decline in numbers for the Diploma in Public Service Interpreting. There are many potential drivers for this. The most obvious is that due to its UK-specific content, candidate interest in the DPSI is substantially restricted to the UK market.

Brexit has greatly impeded EU movement to the UK which has reduced both the numbers of potential interpreters and translators and the numbers of people and companies needing those services from EU countries. However, there is some offsetting growth in need for interpreting those displaced from Afghanistan, Syria as well as migrants from Albania, North Africa and elsewhere.

Reduced permanent staffing alongside productivity and systems improvements mean that if market conditions improve and candidate numbers increase, IoLET would see a rapid return to improved financial performance. IoLET's cost base is transformed versus prior years and unrecognisable from the cost base pre-pandemic.

As part of the Chartered Institute of Linguists' wider mission CIOL Qualifications continue to underpin professionalism within the languages sector; to provide the routes to qualifications which underpin the value of professional linguists as well as the wider educational, social and cultural infrastructure of languages, which supports learners to become future exam candidates and successful linguists. For this reason the Chartered Institute of Linguists is committed to their ongoing support.

Structure, governance and management

Charity constitution

In 2001 the Educational Trust became a charitable company (called initially the Institute of Linguists Educational Trust and then, with the grant of Charter, the name was changed to IoL Educational Trust (IoLET). It is the Associated Charity of CIOL and is registered as a charitable company limited by Guarantee (Registration No 04297497) with a Memorandum and Articles of Association. The IoL Educational Trust is a Registered Charity (Charity Number 1090263).

The members of IoLET are appointed annually by the Council of CIOL and normally comprise the CIOL Council members themselves. CIOL Council members confirm by signature their acceptance of appointment. A register of members is maintained by CIOL.

CIOL Council members appoint Trustee Directors to form the Educational Trust Board (ETB). Appointment of the ETB normally takes place annually at the IoLET AGM. The ETB comprises at least five members, which includes ex officio the Chair of Council of the Chartered Institute of Linguists who periodically appoint a Chair of ETB from their number.

Recruitment and appointment of new trustees

CIOL recognises the importance of providing effective induction and training for members of the ETB. Their induction includes participation in an annual joint CIOL/CIOL Qualifications Strategy Awayday, regular 'sounding boards' on strategy and futures, comprehensive briefing documents on policies and performance and induction through online meetings with the Chief Executive and Chair of ETB, the Head of Qualifications & Responsible Officer and the Executive Officer.

IoL Educational Trust
Report of the Trustees
for the year ended 31 August 2023

Structure, governance and management

Organisational structure

The ETB is responsible for the overall strategy, sustainability and performance of IoLET and is accountable for the ongoing quality and compliance of registered qualifications with Ofqual, QiW and CCEA Regulations and with the range of regulatory responsibilities which come with that. The ETB monitors the performance of qualifications and advises on quality and standards issues, development matters, reviews and on wider CIOL work in standards and other non-regulated assessment activities.

The ETB supports, challenges and guides the Chief Executive and Head of Qualifications & Responsible Officer in all aspects of the development and delivery of qualifications and work in standards and assessment delivered through IoLET and is responsible for the good use of resources in line with the IoLET Memorandum and Articles of Association.

Key management remuneration

The ETB consider the Chief Executive and the Head of Qualifications to be the key management personnel of IoLET. Details of ETB members expenses and key management remuneration are disclosed respectively. The pay of senior staff is set with reference to the prevailing rates for the Charity, Education, Awarding Organisation and Membership sectors and is reviewed annually as part of the budget setting process. Given IoLET's present financial performance there have been no annual increases in staff remuneration.

Related parties

The IoL Educational Trust is the associated charity of the Chartered Institute of Linguists. The ETB includes the Chair of Council of the Chartered Institute of Linguists.

Risk management

The ETB closely monitors the performance and delivery of exams in the light of the prevailing market, economic, and political and social context and reviews a full risk register on a six-monthly basis. CIOL's successful move to wholly online delivery and remote working during the pandemic significantly mitigated the costs and risks associated with face-to-face and physical exam delivery.

Success in online exam delivery and the move to wholly remote working has transformed the cost base and risk profile of CIOL's Qualifications. Despite the very difficult trading conditions in 2022/23, we believe that working through this challenging period in the marketplace and retaining CIOL's role in delivering 'gold standard' professional language qualifications, has never been more important.

Reference and administrative details

Registered Company number

04297497 (Not specified/Other)

Registered Charity number

1090263

Registered office

Star House
Star Hill,
Rochester,
Kent
ME1 1UX

Trustees

J Wyburd Chair
J Gabler (Chair of CIOL Council, resigned 28/4/2023)
S Doswell (Chair of CIOL Council, appointed 28/4/2023)
H Morgan Vice Chair
M A Cazzoli Director
S Colaiacomo Director
C Lindner Director
N Mair Director
A Schroeder-Rossell Director
J P Worne Company Director

Company Secretary

Crossley Secretaries Limited

IoL Educational Trust
Report of the Trustees
for the year ended 31 August 2023

Reference and administrative details

Auditors

Cooper Parry Group Limited
Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Statement of trustees' responsibilities

The trustees (who are also the directors of IoL Educational Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The audit business of Haines Watts London LLP was acquired by Cooper Parry Group Limited on 14 November 2023. Haines Watts London LLP has resigned as auditor and Cooper Parry Group Limited has been appointed in its place.

The auditors, Cooper Parry Group Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on Feb 1, 2024 and signed on its behalf by:



.....
J Wyburd - Chair

Report of the Independent Auditors to the Members of IoL Educational Trust

Opinion

We have audited the financial statements of IoL Educational Trust (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Report of the Independent Auditors to the Members of IoL Educational Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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:

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. We discussed with the Directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. In assessing the potential risks of material misstatement we obtained an understanding of; the entities operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement. We did not identify any matters relating to non-compliance with laws and regulations relating to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
IoL Educational Trust**

Use of our report

This report is made solely to the charitable 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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Wills (Senior Statutory Auditor)
for and on behalf of Cooper Parry Group Limited
Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Date: Feb 1, 2024

IoL Educational Trust
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 August 2023

		Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
Income and endowments from					
Charitable activities	Notes				
Examinations	3	454,892	-	454,892	642,493
Investment income	2	<u>311</u>	<u>-</u>	<u>311</u>	<u>52</u>
Total		<u>455,203</u>	<u>-</u>	<u>455,203</u>	<u>642,545</u>
 Expenditure on					
Charitable activities	Notes				
Examination costs	4	425,780	-	425,780	540,427
Other		<u>(390,969)</u>	<u>-</u>	<u>(390,969)</u>	<u>479,098</u>
Total		<u>34,811</u>	<u>-</u>	<u>34,811</u>	<u>1,019,525</u>
 NET INCOME/(EXPENDITURE)		420,392	-	420,392	(376,980)
 Reconciliation of funds					
Total funds brought forward		<u>(489,068)</u>	<u>10,000</u>	<u>(479,068)</u>	<u>(102,088)</u>
 Total funds carried forward		<u><u>(68,676)</u></u>	<u><u>10,000</u></u>	<u><u>(58,676)</u></u>	<u><u>(479,068)</u></u>

Continuing operations

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

IoL Educational Trust

**Balance Sheet
31 August 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
Fixed assets					
Tangible assets	10	954	-	954	3,472
Current assets					
Debtors	11	10,006	-	10,006	24,500
Cash at bank		<u>15,024</u>	<u>10,000</u>	<u>25,024</u>	<u>80,128</u>
		25,030	10,000	35,030	104,628
Creditors					
Amounts falling due within one year	12	<u>(75,309)</u>	-	<u>(75,309)</u>	<u>(547,169)</u>
Net current assets/(liabilities)		<u>(50,279)</u>	<u>10,000</u>	<u>(40,279)</u>	<u>(442,541)</u>
Total assets less current liabilities		(49,325)	10,000	(39,325)	(439,069)
Creditors					
Amounts falling due after more than one year	13	<u>(19,351)</u>	-	<u>(19,351)</u>	<u>(39,999)</u>
NET ASSETS/(LIABILITIES)		<u>(68,676)</u>	<u>10,000</u>	<u>(58,676)</u>	<u>(479,068)</u>
Funds	15				
Unrestricted funds				(68,676)	(489,068)
Restricted funds				<u>10,000</u>	<u>10,000</u>
Total funds				<u>(58,676)</u>	<u>(479,068)</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:
Feb 1, 2024



.....
J Wyburd - Chair

IoL Educational Trust
Cash Flow Statement
for the year ended 31 August 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(45,804)</u>	<u>(101,849)</u>
Net cash used in operating activities		<u>(45,804)</u>	<u>(101,849)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(216)
Sale of tangible fixed assets		387	316
Interest received		<u>311</u>	<u>52</u>
Net cash provided by investing activities		<u>698</u>	<u>152</u>
Cash flows from financing activities			
Loan repayments in year		<u>(9,998)</u>	<u>(10,001)</u>
Net cash used in financing activities		<u>(9,998)</u>	<u>(10,001)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(55,104)	(111,698)
Cash and cash equivalents at the beginning of the reporting period		<u>80,128</u>	<u>191,826</u>
Cash and cash equivalents at the end of the reporting period		<u><u>25,024</u></u>	<u><u>80,128</u></u>

The notes form part of these financial statements

IoL Educational Trust

Notes to the Cash Flow Statement
for the year ended 31 August 2023

1. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	420,392	(376,980)
Adjustments for:		
Depreciation charges	2,130	5,992
Interest received	(311)	(52)
Decrease in debtors	14,494	10,582
(Decrease)/increase in creditors	(482,509)	258,609
Net cash used in operations	<u>(45,804)</u>	<u>(101,849)</u>

2. Analysis of changes in net funds/(debt)

	At 1/9/22 £	Cash flow £	At 31/8/23 £
Net cash			
Cash at bank	<u>80,128</u>	<u>(55,104)</u>	<u>25,024</u>
	<u>80,128</u>	<u>(55,104)</u>	<u>25,024</u>
Debt			
Debts falling due within 1 year	-	(10,649)	(10,649)
Debts falling due after 1 year	<u>(39,999)</u>	<u>20,648</u>	<u>(19,351)</u>
	<u>(39,999)</u>	<u>9,999</u>	<u>(30,000)</u>
Total	<u>40,129</u>	<u>(45,105)</u>	<u>(4,976)</u>

**Notes to the Financial Statements
for the year ended 31 August 2023**

1. Accounting policies**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The Trust is dependent on the continued support of the Chartered Institute of Linguists to ensure it is able to meet its debts as they fall due. The Council of the Chartered Institute of Linguists have confirmed their commitment to support the Trust financially for a period of at least twelve months from the signing of these accounts. Accordingly, the Trustees consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

Significant judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Revenue for provision of services is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured. The Trust provide exams, the date of revenue recognition should be the date that the exam has taken place.

Costs are to be recognised at the date the service is provided, not the date of the invoice or payment. Accrued expenses are based on this.

Income

Incoming resources from charitable activities are recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Investment income arises from interest bearing bank accounts and is recognised on a receivable basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified as follows:

Examination costs comprising expenditure, including staff costs, directly attributable to the activity on an accruals basis. Where costs cannot be directly attributed they have been allocated to activities on a costs basis.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Tangible fixed assets

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	25% per annum on a straight line basis
Database	-	33% per annum on a straight line basis
Fixtures & fittings	-	25% per annum on a straight line basis

**Notes to the Financial Statements - continued
for the year ended 31 August 2023**

1. Accounting policies - continued**Taxation**

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charitable company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measure at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the charitable company's cash management.

Financial liabilities and equity instruments issued by the charitable company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities. Equity instruments issued by the charitable company are recorded at the proceeds received, net of direct issue costs.

Apportionment of shared costs with the Chartered Institute of Linguists

For part of the year, the charitable company was based at the same premises as the Chartered Institute of Linguists and was charged a proportion of the shared costs based on occupancy. Prior to the exit from the property, during the year ended 31 August 2022 the charitable company occupied 50% (2022: 50%) of the property and therefore was charged 50% (2022: 50%) of all shared costs.

2. Investment income

	2023	2022
	£	£
Deposit account interest	<u>311</u>	<u>52</u>

IoL Educational Trust

Notes to the Financial Statements - continued
for the year ended 31 August 2023

3. Income from charitable activities

		2023	2022
	Activity	£	£
Examination fees	Examinations	393,782	542,108
Centre fees	Examinations	56,145	86,532
Registration fees	Examinations	4,965	150
Appeals and re-marks	Examinations	-	13,703
		<u>454,892</u>	<u>642,493</u>

4. Charitable activities costs

	Direct Costs
	£
Examination costs	<u>425,780</u>

5. Support costs

	Management	Finance	Information technology	Human resources
	£	£	£	£
Other resources expended	<u>187,076</u>	<u>9,227</u>	<u>27,107</u>	<u>83,436</u>
	Other	Other 2	Governance costs	Totals
	£	£	£	£
Other resources expended	<u>60,915</u>	<u>2,500</u>	<u>7,921</u>	<u>378,182</u>

6. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	7,921	5,764
Depreciation - owned assets	2,131	5,992
Hire of plant and machinery	<u>624</u>	<u>632</u>

7. Trustees' remuneration and benefits

Trustee directors received remuneration of £60 (2021: £312) in respect of examiner's fees during the year.

Trustees' expenses

Trustee directors were reimbursed £nil (2021: £nil) for travel expenses in the year.

IoL Educational Trust

Notes to the Financial Statements - continued
for the year ended 31 August 2023

8. Staff costs

	2023 £	2022 £
Wages and salaries	276,791	355,022
Social security costs	32,949	36,171
Other pension costs	20,692	27,221
	<u>330,432</u>	<u>418,414</u>

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

	2023	2022
Examinations	8	8
Admin	<u>1</u>	<u>1</u>
	<u>9</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charitable company comprise the Chief Executive and the Head of Qualifications and Responsible Officer. The total employee benefits of key management personnel chargeable to the Trust were £117,144 (2022: £127,547).

9. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted funds £	Total funds £
Income and endowments from Charitable activities			
Examinations	642,493	-	642,493
Investment income	<u>52</u>	<u>-</u>	<u>52</u>
Total	<u>642,545</u>	<u>-</u>	<u>642,545</u>
Expenditure on Charitable activities			
Examination costs	540,427	-	540,427
Other	<u>479,098</u>	<u>-</u>	<u>479,098</u>
Total	<u>1,019,525</u>	<u>-</u>	<u>1,019,525</u>
NET INCOME/(EXPENDITURE)	(376,980)	-	(376,980)
Reconciliation of funds			
Total funds brought forward	(112,088)	10,000	(102,088)
Total funds carried forward	<u>(489,068)</u>	<u>10,000</u>	<u>(479,068)</u>

IoL Educational Trust

Notes to the Financial Statements - continued
for the year ended 31 August 2023

10. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 September 2022	98,446	61,024	74,889	234,359
Disposals	-	(61,024)	(70,552)	(131,576)
At 31 August 2023	98,446	-	4,337	102,783
Depreciation				
At 1 September 2022	97,942	60,260	72,685	230,887
Charge for year	397	524	1,210	2,131
Eliminated on disposal	-	(60,784)	(70,405)	(131,189)
At 31 August 2023	98,339	-	3,490	101,829
Net book value				
At 31 August 2023	107	-	847	954
At 31 August 2022	504	764	2,204	3,472

11. Debtors: amounts falling due within one year

	2023 £	2022 £
Trade debtors	-	2,386
Other debtors	1,020	-
Prepayments and accrued income	8,986	22,114
	10,006	24,500

12. Creditors: amounts falling due within one year

	2023 £	2022 £
Other loans (see note 14)	10,649	-
Trade creditors	285	636
Social security and other taxes	6,875	8,762
Other creditors	4,070	424,248
Accrued expenses	53,430	113,523
	75,309	547,169

IoL Educational Trust

Notes to the Financial Statements - continued
for the year ended 31 August 2023

13. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Other loans (see note 14)	<u>19,351</u>	<u>39,999</u>

14. Loans

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>10,649</u>	<u>-</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>19,351</u>	<u>10,648</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>-</u>	<u>29,351</u>

15. Movement in funds

	At 1/9/22	Net movement in funds	At 31/8/23
	£	£	£
Unrestricted funds			
General fund	(489,068)	420,392	(68,676)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL FUNDS	<u>(479,068)</u>	<u>420,392</u>	<u>(58,676)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	455,203	(34,811)	420,392
TOTAL FUNDS	<u>455,203</u>	<u>(34,811)</u>	<u>420,392</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2023

15. Movement in funds - continued

Comparatives for movement in funds

	At 1/9/21 £	Net movement in funds £	At 31/8/22 £
Unrestricted funds			
General fund	(112,088)	(376,980)	(489,068)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	10,000	-	10,000
TOTAL FUNDS	<u>(102,088)</u>	<u>(376,980)</u>	<u>(479,068)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	642,545	(1,019,525)	(376,980)
TOTAL FUNDS	<u>642,545</u>	<u>(1,019,525)</u>	<u>(376,980)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/21 £	Net movement in funds £	At 31/8/23 £
Unrestricted funds			
General fund	(112,088)	43,412	(68,676)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	10,000	-	10,000
TOTAL FUNDS	<u>(102,088)</u>	<u>43,412</u>	<u>(58,676)</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,097,748	(1,054,336)	43,412
TOTAL FUNDS	<u>1,097,748</u>	<u>(1,054,336)</u>	<u>43,412</u>

**Notes to the Financial Statements - continued
for the year ended 31 August 2023**

15. Movement in funds - continued

The Susan Tolman Continuing Professional Development Prize exists to provide a prize to the best DPSI candidate. During the year £nil (2022: £nil) was awarded and is deemed to be the interest earned on the fund.

The Simeon Potter Award has been generously established and is awarded to the best CBS candidate. During the year £nil (2022: £nil) was awarded and is deemed to be the interest earned on the fund.

16. Employee benefit obligations

The charitable company offers a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company. The unpaid contributions included in other creditors at the balance sheet date amount to £3,370 (2022: £4,898).

17. Related party disclosures

During the year, the charity received management fee charges of £183,765 (2022: £229,691) to an associated company, the Chartered Institute of Linguists. The Chartered Institute of Linguists has fully written off the total balance owing for management charges and loans to the value of £769,151

18. Liability of members

The charitable company is limited by guarantee and has no share capital. In the event of the charitable company being wound-up, the liability in respect of the guarantee is limited to £1 per member of the charitable company during the time they are a member or within one year of ceasing to be a member, as stated in the Memorandum and Articles of Association.

IoL Educational Trust
Detailed Statement of Financial Activities
for the year ended 31 August 2023

	2023 £	2022 £
Income and endowments		
Investment income		
Deposit account interest	311	52
Charitable activities		
Examination fees	393,782	542,108
Centre fees	56,145	86,532
Registration fees	4,965	150
Appeals and re-marks	<u>-</u>	<u>13,703</u>
	<u>454,892</u>	<u>642,493</u>
Total incoming resources	455,203	642,545
Expenditure		
Charitable activities		
Staff costs	213,129	264,072
Social security	25,371	25,593
Pensions	8,496	12,456
Printing	9,808	12,774
Marketing	17,330	6,265
Other direct costs	-	1,140
Cost of setting exams	86,479	87,286
Examiners' fees & expenses	36,347	72,268
Moderators' fees & expenses	23,079	33,774
Interlocutors' fees	<u>5,741</u>	<u>24,799</u>
	425,780	540,427
Other		
Intercompany Loan Write-Off	(769,151)	-
Support costs		
Management		
Hire of plant and machinery	624	632
Insurance	682	836
Sundries	1,991	-
Management fee	<u>183,779</u>	<u>256,711</u>
	187,076	258,179
Finance		
Bank charges	9,227	9,237
Information technology		
Telephone	27,107	23,983
Human resources		
Wages	63,662	90,950
Social security	7,578	10,578
Pensions	<u>12,196</u>	<u>14,765</u>
	83,436	116,293

This page does not form part of the statutory financial statements

IoL Educational Trust
Detailed Statement of Financial Activities
for the year ended 31 August 2023

	2023 £	2022 £
Human resources		
Other		
Postage and stationery	973	260
General expenses	1,933	2,425
Annual prize giving	597	398
Accountancy fees	55,282	56,567
Plant and machinery	-	1,204
Fixtures and fittings	524	3,443
Computer equipment	<u>1,606</u>	<u>1,345</u>
	60,915	65,642
Other		
Consultancy fees	2,500	-
Governance costs		
Auditors' remuneration	<u>7,921</u>	<u>5,764</u>
Total resources expended	<u>34,811</u>	<u>1,019,525</u>
Net income/(expenditure)	<u><u>420,392</u></u>	<u><u>(376,980)</u></u>

IOL Educational Trust - Financial Statements

2023 - 31.1.24

Final Audit Report

2024-02-01

Created:	2024-02-01
By:	Chloe Parker (chloe.parker@cooperparry.com)
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"IOL Educational Trust - Financial Statements 2023 - 31.1.24" History

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-  Signer jane.wills@cooperparry.com entered name at signing as Cooper Parry Group Limited
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IOL EDUCATIONAL TRUST

England & Wales - Charity number 1090263

Accounts

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 August 2022
for
IOL Educational Trust
(A Company Limited by Guarantee)**

IOL Educational Trust
Contents of the Financial Statements
for the year ended 31 August 2022

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IOL Educational Trust
Report of the Trustees
for the year ended 31 August 2022

The Trustees present their annual report together with the audited financial statements for the year ended 31 August 2022.

Objectives and activities

Objectives and aims

The Company is established with the purpose of promoting the teaching, learning and study of modern languages in pursuit of the advancement of educational learning and the dissemination of information, understanding and knowledge of all aspects of modern languages. In particular it determines standards and criteria requisite to the setting and holding of exams for learners of modern languages and professional linguists such that they attain recognition of their proficiency in one or more such languages.

Public benefit

The Trustees confirm that they have complied with the duty of section 4 of the Charities Act 2011 to have due regard to the Charities Commission's general guidance and supplementary advice on public benefit in determining the activities undertaken by the Trust for the advancement of education. The Trustees believe that they can demonstrate that they clearly meet the two key principles of public benefit namely:

Principle 1 There must be an identifiable benefit or benefits

1a It must be clear what the benefits are and

1b The benefits must be related to the aims

The Trustees consider that in fulfilling the main aim of the Trust, namely the advancement and development of education, teaching and qualifications in a range of 50+ languages, they are acting in accordance with the government plans to develop an education system that contributes fully to the nation's vocational skills, enabling holders of Trust qualifications to make a contribution to the field of languages in general, including public service interpreting and translation.

Principle 2 Benefits must be to the public or a section of the public.

2a The beneficiaries must be appropriate to the aims

2b Where the benefit is to a section of the public, the opportunity to benefit must not be restricted by geographical or other restrictions or by the ability to pay any fees

2c People in poverty must not be excluded from the opportunity to benefit

The Trust seeks to benefit the public by providing qualifications in modern languages, bilingual skills, public service interpreting, and translation in over fifty languages. It is recognised as an Awarding Organisation by the Office of Qualifications and Examinations Regulation (OFQUAL). Five of its qualifications have been accredited and are entered onto the National Qualifications Framework. The Diploma in Public Service Interpreting (DPSI) and the Diploma in Police Interpreting (DPI) qualifications are accepted for registration on the National Register of Public Service Interpreters (NRPSI) which is used by Public Service Organisations to access interpreters for legal, health and local government contexts.

The Trust's specific experience in designing specialist accredited assessments to enable successful candidates to demonstrate fitness to practice in their chosen areas. Detailed examination specifications are provided so that course providers can develop and teach appropriate courses. Fee income represents the only significant part of the Trust's income and the Trust works hard to ensure that fees are not an insurmountable barrier for potential beneficiaries. Despite financial pressures, the price increases are restricted to rates as near as possible to inflation, in order that access to the Trust's qualifications is as wide as possible.

Achievement and performance

Key financial performance indicators

IoLET's final operating deficit was £377k. As below IoLET has a letter of ongoing financial support from CIOL which gave access to additional cash and investment reserves to support the ongoing provision of high quality language qualifications in 2021/22, despite significant losses. CIOL Council consider the provision of professional language qualifications a key part of delivering CIOL's Royal Charter objects and wider purpose.

IOL Educational Trust
Report of the Trustees
for the year ended 31 August 2022

Achievement and performance

Review of the business

This year IoLET has returned a loss of £377k. After a successful return to surplus in 2020/2021, CIOL's core qualifications portfolio has been hit by reduced demand for the key translation and public service interpreting qualifications which enable and support the pipeline of qualified language professionals.

Difficult market conditions for qualifications caused by the worsening global geopolitical and economic context and the rising 'cost of living crisis' in the UK, have all combined to require a call on CIOL's reserves to support the ongoing provision of high-quality language qualifications under the CIOL Qualifications brand (CIOLQ) through IoLET. In January 2022 CIOL Council voted to support and underwrite financially the delivery of qualifications for the financial year 2021/22, which has underpinned the charitable company through these losses this period.

More positively, a major new qualification was developed and launched in May 2022, the Certificate in Translation (CertTrans). The expectation and early evidence is that this new qualification will open a broader UK and international market for CIOL's qualifications and CIOL membership.

However, the losses provoked by the downturn in overall candidate demand in 2022 have necessitated cuts in staffing and savings across the board. This adverse context is expected to continue into 2022/23 with further cuts and savings planned in the year ahead.

Supporting IoLET through these difficult trading conditions has stretched CIOL's finances and reserves, but CIOL's Council considers the professional qualifications which are delivered in its name to be a vital part of delivering the mission and public benefit of the Chartered Institute of Linguists in supporting and qualifying linguists to the highest standards of professional and linguistic competence.

In this wider endeavour, qualifications and membership work together to support the pathways which accredit, develop, support and represent professional linguists. A key part of CIOL's Royal Charter is ensuring that there is a pipeline of qualified language professionals with the linguistic skills necessary to support UK public services, education and to enable the UK and other countries to prosper and thrive in a global economy. This is the reason CIOL has continued to support and underwrite the losses IoLET is making.

Financial review

Principal funding sources

IoLET's funding comes primarily from exam fees. Expenditure in the year was principally related to the development, production, online delivery, assessment and marking of exams, with additional expenditure on ongoing Ofqual compliance, quality and assurance activities such as Assessment Associate (AA) training, policy development and update etc.

Reserves policy

IoLET has a Reserves & Investment Policy based on holding sufficient cash to cover seasonal fluctuations in cash balances caused by inflows of fees and outflows of third-party costs. In 2021/22 it has had to receive several cash injections from CIOL and expects to continue to need ongoing support in 2022/23. These cash injections will in due course be structured into a formal loan agreement which will enable IoLET to pay them back when improvements in trading conditions allow.

IoL Educational Trust
Report of the Trustees
for the year ended 31 August 2022

Future plans

With the launch of the new degree-level Certificate in Translation (CertTrans) in 2022, CIOL now has a benchmark professional qualification for early career linguists, with much broader scope than the existing masters level Diploma in Translation (DipTrans) and the UK-only Diploma in Public Service Interpreting (DPSI).

Both the CertTrans and DipTrans attracted candidates from over 20 countries worldwide in 2022, albeit not in the volumes that are needed to cover the full costs of their delivery. The qualifications are, however, fully surplus-generating when fixed costs and overheads are removed, meaning the key challenge is to increase volumes and continue to bear down on staffing and overhead costs.

Of concern is the sharp decline in numbers for the Diploma in Public Service Interpreting. There are many potential drivers for this. The most obvious is that due to its UK-specific content, candidate interest in the DPSI is substantially restricted to the UK market.

Brexit has greatly impeded EU movement to the UK which has reduced both the numbers of potential interpreters and the numbers of people from EU countries needing interpreting support in order to access justice and UK public service provision. However, there may be a offsetting growth in need for those displaced from Ukraine, and arriving in the UK from Afghanistan, Albania and elsewhere.

Rates of pay and conditions for Public Service Interpreters have become less and less attractive and all of this has been exacerbated in 2021/22 by a growing 'cost of living crisis' and a period of genuine turmoil in the UK politics and the economy. The short, medium and longer-term prognoses for the DPSI are uncertain but we remain committed to its proven value as the 'gold standard' for Public Service Interpreting.

Permanent staffing is currently capped and has been reduced in the last year, which alongside productivity and systems improvements and the closure of several loss-making activity streams mean that, if market conditions improve, CIOL would expect to see a rapid return to improved financial performance in its qualifications.

As part of the Chartered Institute of Linguists' wider mission CIOL Qualifications continues to work to underpin professionalism within the languages sector; to provide the routes to qualifications which underpin the value of professional linguists as well as the wider educational, social and cultural infrastructure of languages, which supports learners to become future exam candidates and successful linguists.

Structure, governance and management

Charity constitution

In 2001 the Educational Trust became a charitable company (called initially the Institute of Linguists Educational Trust and then, with the grant of Charter, the name was changed to IoL Educational Trust (IoLET). It is the Associated Charity of CIOL and is registered as a charitable company limited by Guarantee (Registration No 04297497) with a Memorandum and Articles of Association. The IoL Educational Trust is a Registered Charity (Charity Number 1090263).

The members of IoLET are appointed annually by the Council of CIOL and normally comprise the CIOL Council members themselves. CIOL Council members confirm by signature their acceptance of appointment. A register of members is maintained by CIOL.

CIOL Council members appoint Trustee Directors to form the Educational Trust Board (ETB). Appointment of the ETB normally takes place annually at the IoLET AGM. The ETB comprises at least five members, which includes ex officio the Chair of Council of the Chartered Institute of Linguists, who periodically appoint a Chair of ETB from their number.

Recruitment and appointment of new trustees

CIOL recognises the importance of providing effective induction and training for members of the ETB.

Their induction includes participation in an annual joint CIOL/CIOL Qualifications Strategy Awayday, regular 'sounding boards' on strategy and futures, comprehensive briefing documents on policies and performance and induction through online meetings with the Chief Executive and Chair of ETB, the Head of Qualifications & Responsible Officer and the Executive Officer.

IoL Educational Trust
Report of the Trustees
for the year ended 31 August 2022

Structure, governance and management

Organisational structure

The ETB is responsible for the overall strategy, sustainability and performance of IoLET and is accountable for the ongoing quality and compliance of registered qualifications with Ofqual, QiW and CCEA regulations and with the range of regulatory responsibilities which come with that.

The ETB monitors the performance of qualifications and advises on quality and standards issues, development matters, reviews and on wider CIOL work in standards and other non-regulated assessment activities.

The ETB supports, challenges and guides the Chief Executive and Head of Qualifications & Responsible Officer in all aspects of the development and delivery of qualifications and work in standards and assessment delivered through IoLET and is responsible for the good use of resources in line with the IoLET Memorandum and Articles of Association.

Key management remuneration

The ETB consider the Chief Executive and the Head of Qualifications to be the key management personnel of IoLET. Details of ETB members expenses and key management remuneration are disclosed in noted 8 and 9 respectively.

The pay of senior staff is set at with reference to the prevailing rates for the Charity, Education, Awarding Organisation and Membership sectors and is reviewed annually as part of the budget setting process. Given IoLET's present financial performance there have been no annual increases in staff remuneration.

Related parties

The IoL Educational Trust is an associated charity of the Chartered Institute of Linguists. The Educational Trust Board (ETB) includes the Chair of Council of the Chartered Institute of Linguists.

Risk management

The ETB closely monitors the performance and delivery of exams in the light of the prevailing market, economic, and political and social context and reviews a full risk register on a six-monthly basis.

CIOL's successful move to wholly online delivery and remote working in the 2020/21 financial year significantly mitigated the risks associated with the pandemic, which so gravely affected the organisation in 2019/20.

Success in online delivery has transformed the international market opportunity for CIOL Qualifications. Despite the difficult trading conditions in 2021/22 and those expected in 2022/23, we believe that working through this challenging period to retain CIOL's role in delivering the professional language qualifications, which set the standards for and support linguists worldwide, has never been more important.

Reference and administrative details

Registered Company number

04297497 (Not specified/Other)

Registered Charity number

1090263

Registered office

7th Floor
167 Fleet Street
London
EC4A 2EA

IOL Educational Trust
Report of the Trustees
for the year ended 31 August 2022

Trustees (at end August 2022)

Professor Jocelyn Wyburd	Chair
Judith Gabler	Ex-officio (Chair Chartered Institute of Linguists)
Hugh Morgan	Vice Chair
Rosa-Maria Cives-Enriquez	Co-opted
Marcela Cazzoli	Trustee Director
Silvia Colaiacomo	Trustee Director
Claudia Lindner	Trustee Director
Nick Mair	Trustee Director
Anette Schroeder-Rossell	Trustee Director

Company Secretary Crossley
Secretaries Limited

Auditors

Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Statement of trustees' responsibilities

The trustees (who are also the directors of IOL Educational Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 20 January 2023 and signed on its behalf by:

IOL Educational Trust
Report of the Trustees
for the year ended 31 August 2022

A handwritten signature in purple ink, appearing to read 'J Wyburd', is positioned above a dotted line.

J Wyburd - Chair

Report of the Independent Auditors to the Members of IOL Educational Trust

Opinion

We have audited the financial statements of IOL Educational Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 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 the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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:

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. We discussed with the Directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risk related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
IOL Educational Trust**

Use of our report

This report is made solely to the charitable 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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Wills (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Date: 28/2/23

IOL Educational Trust
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 August 2022

		Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
Income and endowments from	Notes				
Donations and legacies	2	-	-	-	52,724
Charitable activities	4				
Examinations		642,493	-	642,493	1,083,164
Investment income	3	52	-	52	24
Other income		<u>-</u>	<u>-</u>	<u>-</u>	<u>13,755</u>
Total		<u>642,545</u>	<u>-</u>	<u>642,545</u>	<u>1,149,667</u>
Expenditure on					
Charitable activities	5				
Examination costs		540,427	-	540,427	696,767
Other		<u>479,098</u>	<u>-</u>	<u>479,098</u>	<u>449,961</u>
Total		<u>1,019,525</u>	<u>-</u>	<u>1,019,525</u>	<u>1,146,728</u>
NET INCOME/(EXPENDITURE)		(376,980)	-	(376,980)	2,939
Reconciliation of funds					
Total funds brought forward		<u>(112,088)</u>	<u>10,000</u>	<u>(102,088)</u>	<u>(105,027)</u>
Total funds carried forward		<u><u>(489,068)</u></u>	<u><u>10,000</u></u>	<u><u>(479,068)</u></u>	<u><u>(102,088)</u></u>
Continuing operations					
All income and expenditure has arisen from continuing activities.					

The notes form part of these financial statements

IOL Educational Trust

**Balance Sheet
31 August 2022**

		Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
	Notes				
Fixed assets					
Tangible assets	11	3,472	-	3,472	9,564
Current assets					
Debtors	12	24,500	-	24,500	35,082
Cash at bank		<u>70,128</u>	<u>10,000</u>	<u>80,128</u>	<u>191,826</u>
		94,628	10,000	104,628	226,908
Creditors					
Amounts falling due within one year	13	(547,169)	-	(547,169)	(288,560)
		<u>(452,541)</u>	<u>10,000</u>	<u>(442,541)</u>	<u>(61,652)</u>
Net current assets/(liabilities)					
		(449,069)	10,000	(439,069)	(52,088)
Creditors					
Amounts falling due after more than one year	14	(39,999)	-	(39,999)	(50,000)
		<u>(489,068)</u>	<u>10,000</u>	<u>(479,068)</u>	<u>(102,088)</u>
NET ASSETS/(LIABILITIES)					
		(489,068)	10,000	(479,068)	(102,088)
Funds	16				
Unrestricted funds				(489,068)	(112,088)
Restricted funds				<u>10,000</u>	<u>10,000</u>
Total funds				<u>(479,068)</u>	<u>(102,088)</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 20/01/2023 and were signed on its behalf by:



.....
J Wyburd - Chair

The notes form part of these financial statements

IOL Educational Trust
Cash Flow Statement
for the year ended 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(101,849)	(4,369)
Net cash used in operating activities		(101,849)	(4,369)
Cash flows from investing activities			
Purchase of tangible fixed assets		(216)	(4,230)
Sale of tangible fixed assets		316	-
Interest received		52	24
Net cash provided by/(used in) investing activities		152	(4,206)
Cash flows from financing activities			
Loan repayments in year		(10,001)	-
Net cash (used in)/provided by financing activities		(10,001)	-
		—	—
Change in cash and cash equivalents in the reporting period		(111,698)	(8,575)
Cash and cash equivalents at the beginning of the reporting period		191,826	200,401
Cash and cash equivalents at the end of the reporting period		80,128	191,826

The notes form part of these financial statements

IOL Educational Trust

Notes to the Cash Flow Statement
for the year ended 31 August 2022

1. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(376,980)	2,939
Adjustments for:		
Depreciation charges	5,992	9,445
Interest received	(52)	(24)
Decrease in debtors	10,582	37,988
Increase/(decrease) in creditors	<u>258,609</u>	<u>(54,717)</u>
Net cash used in operations	<u>(101,849)</u>	<u>(4,369)</u>

2. Analysis of changes in net funds

	At 1/9/21 £	Cash flow £	At 31/8/22 £
Net cash			
Cash at bank	<u>191,826</u>	<u>(111,698)</u>	<u>80,128</u>
	<u>191,826</u>	<u>(111,698)</u>	<u>80,128</u>
Debt			
Debts falling due after 1 year	<u>(50,000)</u>	<u>10,001</u>	<u>(39,999)</u>
	<u>(50,000)</u>	<u>10,001</u>	<u>(39,999)</u>
Total	<u>141,826</u>	<u>(101,697)</u>	<u>40,129</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 August 2022**

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The Trust is dependent on the continued support of the Chartered Institute of Linguists to ensure it is able to meet its debts as they fall due. The Council of the Chartered Institute of Linguists have confirmed their commitment to support the Trust financially for a period of at least twelve months from the signing of these accounts. Accordingly, the Trustees consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

Significant judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Revenue for provision of services is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured. The Trust provide translator exams, the date of revenue recognition should be the date that the exam has taken place.

Costs are to be recognised at the date the service is provided, not the date of the invoice or payment. Accrued expenses are based on this.

Income

Incoming resources from charitable activities are recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Investment income arises from interest bearing bank accounts and is recognised on a receivable basis.

Donated services arise from the charity operating from 167 Fleet Street rent-free and are recognised on a receivable basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified as follows:

Examination costs comprising expenditure, including staff costs, directly attributable to the activity on an accruals basis. Where costs cannot be directly attributed they have been allocated to activities on a costs basis.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Headquarters.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Tangible fixed assets

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

**Notes to the Financial Statements - continued
for the year ended 31 August 2022**

1. Accounting policies - continued**Tangible fixed assets**

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	25% per annum on a straight line basis
Database	-	33% per annum on a straight line basis
Fixtures & fittings	-	25% per annum on a straight line basis

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charitable company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measure at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the charitable company's cash management.

Financial liabilities and equity instruments issued by the charitable company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities. Equity instruments issued by the charitable company are recorded at the proceeds received, net of direct issue costs.

Apportionment of shared costs with the Chartered Institute of Linguists

The charitable company is based at the same premises as the Chartered Institute of Linguists and is charged a proportion of the shared costs based on occupancy. For the year ended 31 August 2022 the charitable company occupies 50% (2021: 50%) of the property and therefore is charged 50% (2021: 50%) of all shared costs.

Government grants

Government grants are recognised in accordance with the accruals model. The company received government grants in relation to the Coronavirus Job Retention Scheme relating to the year which is included in other operating income.

IOL Educational Trust

Notes to the Financial Statements - continued
for the year ended 31 August 2022

2. Donations and legacies

	2022	2021
	£	£
Donated facilities	-	52,724

3. Investment income

	2022	2021
	£	£
Deposit account interest	52	24

4. Income from charitable activities

	Activity	2022	2021
		£	£
Examination fees	Examinations	542,108	965,699
Centre fees	Examinations	86,532	99,660
Registration fees	Examinations	150	450
Appeals and re-marks	Examinations	13,703	17,355
		642,493	1,083,164

5. Charitable activities costs

	Direct Costs
	£
Examination costs	540,427

6. Support costs

	Management	Finance	Information technology
	£	£	£
Other resources expended	258,179	9,237	23,983
	Human resources	Governance costs	Totals
	£	£	£
Other resources expended	116,293	65,642	5,764
	479,098		

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	5,764	5,160
Depreciation - owned assets	5,992	9,445
Hire of plant and machinery	632	-

IOL Educational Trust

**Notes to the Financial Statements - continued
for the year ended 31 August 2022**

8. Trustees' remuneration and benefits

Trustee directors received remuneration of £312 (2021: £34) in respect of examiner's fees during the year.

Trustees' expenses

Trustee directors were reimbursed £nil (2021: £nil) for travel expenses in the year.

9. Staff costs

	2022	2021
	£	£
Wages and salaries	355,022	483,046
Social security costs	36,171	31,673
Other pension costs	<u>27,221</u>	<u>34,980</u>
	<u>418,414</u>	<u>549,699</u>

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

	2022	2021
Examinations	9	10
Admin	<u>1</u>	<u>2</u>
	<u>10</u>	<u>12</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charitable company comprise the Chief Executive and the Head of Qualifications and Responsible Officer. The total employee benefits of key management personnel chargeable to the Trust were £127,547 (2021: £124,032).

10. Comparatives for the statement of financial activities

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
Income and endowments from			
Donations and legacies	52,724	-	52,724
Charitable activities			
Examinations	1,083,164	-	1,083,164
Investment income	24	-	24
Other income	<u>13,755</u>	<u>-</u>	<u>13,755</u>
Total	<u>1,149,667</u>	<u>-</u>	<u>1,149,667</u>
Expenditure on			
Charitable activities			
Examination costs	696,767	-	696,767
Other	<u>449,961</u>	<u>-</u>	<u>449,961</u>
Total	<u>1,146,728</u>	<u>-</u>	<u>1,146,728</u>
NET INCOME	2,939	-	2,939

IOL Educational Trust

Notes to the Financial Statements - continued
for the year ended 31 August 2022

10. Comparatives for the statement of financial activities - continued

	Unrestricted fund £	Restricted funds £	Total funds £
Reconciliation of funds			
Total funds brought forward	(115,027)	10,000	(105,027)
Total funds carried forward	<u>(112,088)</u>	<u>10,000</u>	<u>(102,088)</u>

11. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 September 2021	98,230	61,024	75,315	234,569
Additions	216	-	-	216
Disposals	-	-	(426)	(426)
At 31 August 2022	<u>98,446</u>	<u>61,024</u>	<u>74,889</u>	<u>234,359</u>
Depreciation				
At 1 September 2021	96,738	56,817	71,450	225,005
Charge for year	1,204	3,443	1,345	5,992
Eliminated on disposal	-	-	(110)	(110)
At 31 August 2022	<u>97,942</u>	<u>60,260</u>	<u>72,685</u>	<u>230,887</u>
Net book value				
At 31 August 2022	<u>504</u>	<u>764</u>	<u>2,204</u>	<u>3,472</u>
At 31 August 2021	<u>1,492</u>	<u>4,207</u>	<u>3,865</u>	<u>9,564</u>

12. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	2,386	7,655
Other debtors	-	163
Prepayments and accrued income	<u>22,114</u>	<u>27,264</u>
	<u>24,500</u>	<u>35,082</u>

IOL Educational Trust

Notes to the Financial Statements - continued
for the year ended 31 August 2022

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	636	25,713
Social security and other taxes	8,762	12,097
Other creditors	424,248	157,786
Accrued expenses	<u>113,523</u>	<u>92,964</u>
	<u>547,169</u>	<u>288,560</u>

14. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other loans (see note 15)	<u>39,999</u>	<u>50,000</u>

15. Loans

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>10,648</u>	<u>10,000</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>29,351</u>	<u>40,000</u>

16. Movement in funds

	At 1/9/21	Net movement in funds	At 31/8/22
	£	£	£
Unrestricted funds			
General fund	(112,088)	(376,980)	(489,068)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL FUNDS	<u>(102,088)</u>	<u>(376,980)</u>	<u>(479,068)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	642,545	(1,019,525)	(376,980)
TOTAL FUNDS	<u>642,545</u>	<u>(1,019,525)</u>	<u>(376,980)</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2022

16. Movement in funds - continued

Comparatives for movement in funds

	At 1/9/20 £	Net movement in funds £	At 31/8/21 £
Unrestricted funds			
General fund	(115,027)	2,939	(112,088)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	5,000	-	5,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL FUNDS	<u>(105,027)</u>	<u>2,939</u>	<u>(102,088)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,149,667	(1,146,728)	2,939
	<u>1,149,667</u>	<u>(1,146,728)</u>	<u>2,939</u>
TOTAL FUNDS	<u>1,149,667</u>	<u>(1,146,728)</u>	<u>2,939</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/20 £	Net movement in funds £	At 31/8/22 £
Unrestricted funds			
General fund	(115,027)	(374,041)	(489,068)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	5,000	-	5,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL FUNDS	<u>(105,027)</u>	<u>(374,041)</u>	<u>(479,068)</u>

**Notes to the Financial Statements - continued
for the year ended 31 August 2022**

16. Movement in funds - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,792,212	(2,166,253)	(374,041)
TOTAL FUNDS	<u><u>1,792,212</u></u>	<u><u>(2,166,253)</u></u>	<u><u>(374,041)</u></u>

The Susan Tolman Continuing Professional Development Prize exists to provide a prize to the best DPSI candidate. During the year £nil (2021: £nil) was awarded and is deemed to be the interest earned on the fund.

The Simeon Potter Award has been generously established and is awarded to the best CBS candidate. During the year £nil (2020: £nil) was awarded and is deemed to be the interest earned on the fund.

17. Employee benefit obligations

The charitable company offers a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company. The unpaid contributions included in other creditors at the balance sheet date amount to £4,898 (2021: £5,535).

18. Related party disclosures

During the year, the charity paid management fees of £229,691 (2021: £143,337 by way of recharges) to an associated company, the Chartered Institute of Linguists.

During the year the charity received an interest free loan of £270,000 from the company.

At the balance sheet date, the charity owed £418,650 (2021: £152,251) to the company.

19. Liability of members

The charitable company is limited by guarantee and has no share capital. In the event of the charitable company being wound-up, the liability in respect of the guarantee is limited to £1 per member of the charitable company during the time they are a member or within one year of ceasing to be a member, as stated in the Memorandum and Articles of Association.

IOL Educational Trust
Detailed Statement of Financial Activities
for the year ended 31 August 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Donated facilities	-	52,724
Investment income		
Deposit account interest	52	24
Charitable activities		
Examination fees	542,108	965,699
Centre fees	86,532	99,660
Registration fees	150	450
Appeals and re-marks	<u>13,703</u>	<u>17,355</u>
	642,493	1,083,164
Other income		
Furlough income	<u>-</u>	<u>13,755</u>
Total incoming resources	642,545	1,149,667
Expenditure		
Charitable activities		
Staff costs	264,072	289,509
Social security	25,593	31,673
Pensions	12,456	14,979
Printing	12,774	15,606
Marketing	6,265	2,225
Other direct costs	1,140	1,869
Cost of setting exams	87,286	97,166
Examiners' fees & expenses	72,268	156,309
Moderators' fees & expenses	33,774	28,475
Co-ordinators	-	(1,184)
Interlocutors' fees	<u>24,799</u>	<u>60,140</u>
	540,427	696,767
Support costs		
Management		
Hire of plant and machinery	632	-
Insurance	836	916
Management fee	<u>256,711</u>	<u>-</u>
	258,179	916
Finance		
Bank charges	9,237	9,289
Information technology		
Telephone	23,983	70,479
Repairs and renewals	<u>-</u>	<u>3,528</u>
	23,983	74,007

This page does not form part of the statutory financial statements

IOL Educational Trust

Detailed Statement of Financial Activities
for the year ended 31 August 2022

	2022 £	2021 £
Information technology		
Human resources		
Wages	90,950	193,537
Social security	10,578	-
Pensions	14,765	20,001
Staff training and recruitment	-	300
	<u>116,293</u>	<u>213,838</u>
Other		
Rent & rates	-	52,724
Postage and stationery	260	405
General expenses	2,425	19,467
Travel and subsistence	-	244
Annual prize giving	398	1,823
Accountancy fees	56,567	61,709
Legal fees	-	934
Plant and machinery	1,204	2,863
Fixtures and fittings	3,443	3,537
Computer equipment	1,345	3,045
	<u>65,642</u>	<u>146,751</u>
Governance costs		
Auditors' remuneration	<u>5,764</u>	<u>5,160</u>
Total resources expended	<u>1,019,525</u>	<u>1,146,728</u>
Net (expenditure)/income	<u>(376,980)</u>	<u>2,939</u>

This page does not form part of the statutory financial statements

IOL EDUCATIONAL TRUST

England & Wales - Charity number 1090263

Accounts

REGISTERED COMPANY NUMBER: 04297497
REGISTERED CHARITY NUMBER: 1090263

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 August 2021
for
IOL EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

IOL EDUCATIONAL TRUST

**Contents of the Financial Statements
for the year ended 31 August 2021**

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IOL EDUCATIONAL TRUST

Report of the Trustees for the year ended 31 August 2021

The Trustees present their annual report together with the audited financial statements for the year ended 31 August 2021.

Objectives and activities

Objectives and aims

The Company is established with the purpose of promoting the teaching, learning and study of modern languages in pursuit of the advancement of educational learning and the dissemination of information, understanding and knowledge of all aspects of modern languages. In particular it determines standards and criteria requisite to the setting and holding of exams for learners of modern languages and professional linguists such that they attain recognition of their proficiency in one or more such languages.

Public benefit

The Trustees confirm that they have complied with the duty of section 4 of the Charities Act 2011 to have due regard to the Charities Commission's general guidance and supplementary advice on public benefit in determining the activities undertaken by the Trust for the advancement of education. The Trustees believe that they can demonstrate that they clearly meet the two key principles of public benefit namely:

Principle 1 There must be an identifiable benefit or benefits

1a It must be clear what the benefits are and

1b The benefits must be related to the aims

The Trustees consider that in fulfilling the main aim of the Trust, namely the advancement and development of education, teaching and qualifications in a range of 50+ languages, they are acting in accordance with the government plans to develop an education system that contributes fully to the nation's vocational skills, enabling holders of Trust qualifications to make a contribution to the field of languages in general, including public service interpreting and translation.

Principle 2 Benefits must be to the public or a section of the public.

2a The beneficiaries must be appropriate to the aims

2b Where the benefit is to a section of the public, the opportunity to benefit must not be restricted by geographical or other restrictions or by the ability to pay any fees

2c People in poverty must not be excluded from the opportunity to benefit

The Trust seeks to benefit the public by providing qualifications in modern languages, bilingual skills, public service interpreting, and translation in over fifty languages. It is recognised as an Awarding Organisation by the Office of Qualifications and Examinations Regulation (OFQUAL). Five of its qualifications have been accredited and are entered onto the National Qualifications Framework. The Diploma in Public Service Interpreting (DPSI) and the Diploma in Police Interpreting (DPI) qualifications are accepted for registration on the National Register of Public Service Interpreters (NRPSI) which is used by Public Service Organisations to access interpreters for legal, health and local government contexts.

The Trust's specific experience is in designing specialist accredited assessments to enable successful candidates to demonstrate fitness to practice in their chosen areas. Detailed examination specifications are provided so that course providers can develop and teach appropriate courses. Fee income represents the only significant part of the Trust's income and the Trust works hard to ensure that fees are not an insurmountable barrier for potential beneficiaries. Despite financial pressures, the price increases are restricted to rates as near as possible to inflation, in order that access to the Trust's qualifications is as wide as possible.

Achievement and performance

Key financial performance indicators

CIOLQ's final operating surplus was £2.9k. CIOLQ has a letter of ongoing financial support from The Chartered Institute of Linguists (CIOL) with access to additional cash and investment reserves as needed. CIOL Council consider CIOLQ an essential part of delivering CIOL's Royal Charter objects and wider purpose.

IOL EDUCATIONAL TRUST

Report of the Trustees for the year ended 31 August 2021

Achievement and performance

Review of the business

This year CIOLQ has returned to operating surplus, by exiting non-core activities and investing in the core portfolio of professional translation and interpreter qualifications, which are now being successfully offered wholly online.

CIOLQ worked closely alongside its associated professional body CIOL, to support pathways which accredit, develop, support and represent professional linguists in line with a shared strategic plan. Ensuring that there is a pipeline of qualified language professionals with the linguistic skills necessary to support UK public services, education and to enable the UK and other countries to prosper and thrive in a global economy, will remain a critical part of CIOL and CIOLQ's work going forward in line with CIOL's Royal Charter.

Financial review

Principal funding sources

CIOLQ's funding comes primarily from exam fees. Expenditure in the year was principally related to the development, online delivery, assessment and marking of exams; with additional expenditure on ongoing Ofqual compliance, quality and assurance activities such as Assessor training, updating policies etc.

Reserves policy

The CIOLQ Educational Trust Board (ETB) has agreed a Red, Amber, Green Reserves and Investment Policy based on holding sufficient cash to cover seasonal fluctuations in cash balances, caused by inflows of fees and outflows of third-party costs. CIOLQ exited 2020/21 in the Amber Zone where the organisation is committed to and able to hold a minimum cash reserve of c£150k and can make modest investments in systems, process improvements and capability. However, in the Amber Zone any growth in permanent staffing is capped, until consistent ongoing operating surpluses are achieved moving the organisation into the Green Zone.

Future plans

Further investment in online delivery, alongside further developing and extending the scope and range of professional qualifications offered, will ensure CIOLQ's qualifications are fit-for-purpose in a changing external environment. CIOLQ's greater online delivery capability developed in 2020/21, will also better enable the organisation to respond to the future needs of those who commission, contract and procure language services - including commercial Language Service Providers and Government and public services, as well as providing more pathways for individual linguists to enter the profession.

Together with CIOL, CIOLQ will continue to work to promote professionalism within the languages sector; to push for better recognition of qualifications and the value of professional linguists as well advocating for the wider educational, social and cultural value of languages to support the wider audience of learners and potential future exam candidates.

Structure, governance and management

Charity constitution

The IoL Educational Trust (IoLET), trading as CIOL Qualifications (CIOLQ), was set up as a company by the Institute of Linguists in 2001. It is the Associated Charity of CIOL and is registered as a charitable company limited by Guarantee (Registration No 04297497) with a Memorandum and Articles of Association. The IoL Educational Trust is a Registered Charity (Charity Number 1090263).

The members of IoLET are appointed annually by the Council of CIOL and normally comprise the CIOL Council members. CIOL Council members confirm by signature their acceptance of appointment. A register of members is maintained by CIOL.

CIOL Council members appoint ETB Directors. Appointment of the ETB normally takes place annually at the IoLET AGM. The Educational Trust Board shall consist of at least five members, which will include the Chair of Council of the Chartered Institute of Linguists (ex officio).

Recruitment and appointment of new trustees

CIOLQ acknowledges the importance of providing effective induction and training for ETB Members. Their induction includes participation in an annual joint CIOL/CIOLQ Strategy Awayday, regular 'sounding boards' on strategy and futures, comprehensive briefing documents on policies and strategy, and induction through online meetings with the Chief Executive and Chair of ETB, the Head of Qualifications & Responsible Officer and the Executive Officer.

IOL EDUCATIONAL TRUST

Report of the Trustees for the year ended 31 August 2021

Structure, governance and management

Organisational structure

The CIOLQ Education Trust Board (ETB) is responsible for the strategic direction of CIOL Qualifications (CIOLQ). The ETB is accountable for the ongoing quality and compliance of CIOLQ's Ofqual, QIW and CCEA regulated qualifications and the regulatory responsibilities which come with that regulation. The ETB monitors the performance of qualifications and advises on quality and standards issues, development matters, qualification reviews and other non-regulated assessment activities. The ETB may challenge and guide the Chief Executive and Head of Qualifications & Responsible Officer in all, and any aspects of the qualifications offered by CIOLQ and is responsible for the good use of CIOLQ resources and the execution of CIOLQs objectives.

Key management remuneration

The ETB consider the Chief Executive and the Head of Qualifications to be the key management personnel of the charity in terms of controlling and operating CIOLQ on a day-to-day basis. Details of ETB members expenses and key management remuneration are disclosed in Notes 8 and 9 of the accounts respectively.

The pay of senior staff is set at with reference to the prevailing rates for the Charity, Education, Awarding Organisation and Membership sectors and is reviewed annually as part of the budget setting process.

Related parties

The IoL Educational Trust is an associated charity of the Chartered Institute of Linguists. The Educational Trust Board (ETB) includes the Chair of Council of the Chartered Institute of Linguists.

Risk management

The ETB monitors closely the performance and delivery of exams in the light of the prevailing market, economic, and political and social context and reviews a risk register on a six-monthly basis. CIOLQ's successful move to wholly online delivery and remote working in the 2020/21 financial year has significantly mitigated the risks associated with the ongoing pandemic, which so gravely affected the organisation in 2019/20. At the same time, it has transformed the market opportunity for the CIOLQ and its professional language qualifications looking forwards.

Reference and administrative details

Registered Company number

04297497 (Not specified/Other)

Registered Charity number

1090263

Registered office

7th Floor
167 Fleet Street
London
EC4A 2EA

Educational Trust Board Members

Bernardette Holmes MBE	Chair
Judith Gabler	Ex-officio (Chair Chartered Institute of Linguists)
Anne Stevens	Ex-officio (Quality Standards Board)
Nick Mair	Trustee Director
Keith Moffitt	Trustee Director
Jocelyn Wyburd	Trustee Director
Silvia Colaiacomo	Co-opted
Claudia Lindner	Co-opted
Hugh Morgan	Co-opted
Anette Schroeder-Rossell	Co-opted

Company Secretary

Crossley Secretaries Limited

Auditors

Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

IOL EDUCATIONAL TRUST

Report of the Trustees for the year ended 31 August 2021

Statement of trustees' responsibilities

The trustees (who are also the directors of IOL Educational Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

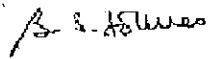
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 03 March 2022 and signed on its behalf by:



Ms B S Holmes MBE - Trustee

Report of the Independent Auditors to the Members of IOL Educational Trust

Opinion

We have audited the financial statements of IOL Educational Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Director's view on the impact of COVID-19 is disclosed within the accounting policies note.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 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 the audit:

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

Report of the Independent Auditors to the Members of IOL Educational Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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. We discussed with the Directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

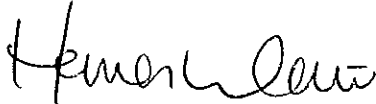
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
IOL Educational Trust

Use of our report

This report is made solely to the charitable 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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Wills (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Date: 4/3/22

IOL EDUCATIONAL TRUST

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 August 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
Income and endowments from					
Donations and legacies	2	52,724	-	52,724	51,188
Charitable activities	4				
Examinations		1,083,164	-	1,083,164	952,790
Investment income	3	24	-	24	674
Other income		<u>13,755</u>	<u>-</u>	<u>13,755</u>	<u>75,996</u>
Total		<u>1,149,667</u>	<u>-</u>	<u>1,149,667</u>	<u>1,080,648</u>
Expenditure on					
Charitable activities	5				
Examination costs		696,767	-	696,767	759,487
Other		<u>449,961</u>	<u>-</u>	<u>449,961</u>	<u>572,024</u>
Total		<u>1,146,728</u>	<u>-</u>	<u>1,146,728</u>	<u>1,331,511</u>
NET INCOME/(EXPENDITURE)		<u>2,939</u>	<u>-</u>	<u>2,939</u>	<u>(250,863)</u>
Reconciliation of funds					
Total funds brought forward		<u>(115,027)</u>	<u>10,000</u>	<u>(105,027)</u>	<u>145,836</u>
Total funds carried forward		<u><u>(112,088)</u></u>	<u><u>10,000</u></u>	<u><u>(102,088)</u></u>	<u><u>(105,027)</u></u>

Continuing operations

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

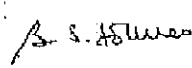
IOL EDUCATIONAL TRUST

**Balance Sheet
31 August 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets					
Tangible assets	11	9,564	-	9,564	14,779
Current assets					
Debtors	12	35,082	-	35,082	73,070
Cash at bank		<u>181,826</u>	<u>10,000</u>	<u>191,826</u>	<u>200,401</u>
		216,908	10,000	226,908	273,471
Creditors					
Amounts falling due within one year	13	(288,560)	-	(288,560)	(343,277)
Net current assets/(liabilities)		<u>(71,652)</u>	<u>10,000</u>	<u>(61,652)</u>	<u>(69,806)</u>
Total assets less current liabilities		(62,088)	10,000	(52,088)	(55,027)
Creditors					
Amounts falling due after more than one year	14	(50,000)	-	(50,000)	(50,000)
NET ASSETS/(LIABILITIES)		<u>(112,088)</u>	<u>10,000</u>	<u>(102,088)</u>	<u>(105,027)</u>
Funds	16				
Unrestricted funds				(112,088)	(115,027)
Restricted funds				<u>10,000</u>	<u>10,000</u>
Total funds				<u>(102,088)</u>	<u>(105,027)</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 03 March 2022..... and were signed on its behalf by:


.....
B S Holmes MBE - Trustee

IOL EDUCATIONAL TRUST
Cash Flow Statement
for the year ended 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(4,369)</u>	<u>(82,849)</u>
Net cash used in operating activities		<u>(4,369)</u>	<u>(82,849)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,230)	(2,991)
Interest received		<u>24</u>	<u>674</u>
Net cash used in investing activities		<u>(4,206)</u>	<u>(2,317)</u>
Cash flows from financing activities			
New loans in year		<u>-</u>	<u>50,000</u>
Net cash provided by financing activities		<u>-</u>	<u>50,000</u>
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(8,575)	(35,166)
Cash and cash equivalents at the beginning of the reporting period		<u>200,401</u>	<u>235,567</u>
Cash and cash equivalents at the end of the reporting period		<u>191,826</u>	<u>200,401</u>

The notes form part of these financial statements

IOL EDUCATIONAL TRUST

Notes to the Cash Flow Statement for the year ended 31 August 2021

1. Reconciliation of net Income/(expenditure) to net cash flow from operating activities			
	2021	2020	
	£	£	
Net Income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	2,939	(250,863)	
Adjustments for:			
Depreciation charges	9,445	11,968	
Interest received	(24)	(674)	
Decrease in debtors	37,988	134,500	
(Decrease)/increase in creditors	(54,717)	22,220	
Net cash used in operations	<u>(4,369)</u>	<u>(82,849)</u>	
2. Analysis of changes in net funds			
	At 1/9/20	Cash flow	At 31/8/21
	£	£	£
Net cash			
Cash at bank	<u>200,401</u>	<u>(8,575)</u>	<u>191,826</u>
	<u>200,401</u>	<u>(8,575)</u>	<u>191,826</u>
Debt			
Debts falling due after 1 year	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Total	<u>150,401</u>	<u>(8,575)</u>	<u>141,826</u>

The notes form part of these financial statements

IOL EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2021

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The Trust is dependent on the continued support of the Chartered Institute of Linguists to ensure it is able to meet its debts as they fall due. The Council of the Chartered Institute of Linguists have confirmed their commitment to support the Trust financially for a period of at least twelve months from the signing of these accounts. Accordingly, the Trustees consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

Significant judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Revenue for provision of services is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured. The Trust provide translator exams, the date of revenue recognition should be the date that the exam has taken place.

Costs are to be recognised at the date the service is provided, not the date of the invoice or payment. Accrued expenses are based on this.

Income

Incoming resources from charitable activities are recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Investment income arises from interest bearing bank accounts and is recognised on a receivable basis.

Donated services arise from the charity operating from 167 Fleet Street rent-free and are recognised on a receivable basis.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified as follows:

Examination costs comprising expenditure, including staff costs, directly attributable to the activity on an accruals basis. Where costs cannot be directly attributed they have been allocated to activities on a costs basis.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Headquarters.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Tangible fixed assets

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

IOL EDUCATIONAL TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

1. Accounting policies - continued

Tangible fixed assets

Computer equipment	-	25% per annum on a straight line basis
Database	-	33% per annum on a straight line basis
Fixtures & fittings	-	25% per annum on a straight line basis

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charitable company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measure at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the charitable company's cash management.

Financial liabilities and equity instruments issued by the charitable company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities. Equity instruments issued by the charitable company are recorded at the proceeds received, net of direct issue costs.

Apportionment of shared costs with the Chartered Institute of Linguists

The charitable company is based at the same premises as the Chartered Institute of Linguists and is charged a proportion of the shared costs based on occupancy. For the year ended 31 August 2021 the charitable company occupies 50% (2020: 70%) of the property and therefore is charged 50% (2020: 70%) of all shared costs.

Government grants

Government grants are recognised in accordance with the accruals model. The company received government grants in relation to the Coronavirus Job Retention Scheme relating to the year which is included in other operating income.

IOL EDUCATIONAL TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2021**

2. Donations and legacies				
		2021	2020	
		£	£	
Donated facilities		<u>52,724</u>	<u>51,188</u>	
3. Investment income				
		2021	2020	
		£	£	
Deposit account interest		<u>24</u>	<u>674</u>	
4. Income from charitable activities				
		2021	2020	
		£	£	
Examination fees	Activity	965,699	905,589	
Centre fees	Examinations	99,660	25,579	
Registration fees	Examinations	450	4,600	
Appeals and re-marks	Examinations	<u>17,355</u>	<u>17,022</u>	
		<u>1,083,164</u>	<u>952,790</u>	
5. Charitable activities costs				Direct Costs
				£
Examination costs				<u>696,767</u>
6. Support costs				Information technology
		Management	Finance	£
		£	£	
Other resources expended		<u>916</u>	<u>9,289</u>	<u>74,007</u>
	Human resources	Other	Governance costs	Totals
	£	£	£	£
Other resources expended	<u>213,838</u>	<u>146,751</u>	<u>5,160</u>	<u>449,961</u>
7. Net Income/(expenditure)				
Net income/(expenditure) is stated after charging/(crediting):				
		2021	2020	
		£	£	
Auditors' remuneration		5,160	5,130	
Depreciation - owned assets		<u>9,445</u>	<u>11,968</u>	

IOL EDUCATIONAL TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2021**

8. Trustees' remuneration and benefits

Trustee directors received remuneration of £34 (2020: £34) in respect of examiner's fees during the year.

Trustees' expenses

Trustee directors were reimbursed £Nil (2020: £241) for travel expenses in the year.

9. Staff costs

	2021 £	2020 £
Wages and salaries	483,046	609,397
Social security costs	31,673	34,134
Other pension costs	<u>34,980</u>	<u>37,147</u>
	<u>549,699</u>	<u>680,678</u>

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

	2021	2020
Examinations	10	12
Admin	<u>2</u>	<u>4</u>
	<u>12</u>	<u>16</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charitable company comprise the Chief Executive and the Head of Qualifications and Responsible Officer. The total employee benefits of key management personnel chargeable to the Trust were £124,032 (2020: £110,900).

10. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	51,188	-	51,188
Charitable activities			
Examinations	952,790	-	952,790
Investment income	274	400	674
Other income	<u>75,996</u>	<u>-</u>	<u>75,996</u>
Total	1,080,248	400	1,080,648
Expenditure on			
Charitable activities			
Examination costs	759,487	-	759,487
Other	<u>571,624</u>	<u>400</u>	<u>572,024</u>
Total	1,331,111	400	1,331,511
NET INCOME/(EXPENDITURE)	(250,863)	-	(250,863)

IOL EDUCATIONAL TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2021**

10. Comparatives for the statement of financial activities - continued				
	Unrestricted fund £	Restricted funds £	Total funds £	
Reconciliation of funds				
Total funds brought forward	135,836	10,000	145,836	
Total funds carried forward	<u>(115,027)</u>	<u>10,000</u>	<u>(105,027)</u>	
11. Tangible fixed assets				
	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 September 2020	98,230	60,544	71,565	230,339
Additions	<u>-</u>	<u>480</u>	<u>3,750</u>	<u>4,230</u>
At 31 August 2021	<u>98,230</u>	<u>61,024</u>	<u>75,315</u>	<u>234,569</u>
Depreciation				
At 1 September 2020	93,875	53,280	68,405	215,560
Charge for year	<u>2,863</u>	<u>3,537</u>	<u>3,045</u>	<u>9,445</u>
At 31 August 2021	<u>96,738</u>	<u>56,817</u>	<u>71,450</u>	<u>225,005</u>
Net book value				
At 31 August 2021	<u>1,492</u>	<u>4,207</u>	<u>3,865</u>	<u>9,564</u>
At 31 August 2020	<u>4,355</u>	<u>7,264</u>	<u>3,160</u>	<u>14,779</u>
12. Debtors: amounts falling due within one year				
		2021 £	2020 £	
Trade debtors		7,655	7,144	
Other debtors		163	14,819	
Prepayments and accrued income		<u>27,264</u>	<u>51,107</u>	
		<u>35,082</u>	<u>73,070</u>	

IOL EDUCATIONAL TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2021**

13. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	25,713	20,260
Social security and other taxes	12,097	67,925
Other creditors	157,786	29,412
Accrued expenses	<u>92,964</u>	<u>225,680</u>
	<u>288,560</u>	<u>343,277</u>

14. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans (see note 15)	<u>50,000</u>	<u>50,000</u>

15. Loans

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>10,000</u>	<u>10,000</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>40,000</u>	<u>40,000</u>

16. Movement in funds

	At 1/9/20 £	Net movement in funds £	At 31/8/21 £
Unrestricted funds			
General fund	(115,027)	2,939	(112,088)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL FUNDS	<u>(105,027)</u>	<u>2,939</u>	<u>(102,088)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,149,667	(1,146,728)	2,939
TOTAL FUNDS	<u>1,149,667</u>	<u>(1,146,728)</u>	<u>2,939</u>

IOL EDUCATIONAL TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2021

16. Movement in funds - continued

Comparatives for movement in funds

	At 1/9/19 £	Net movement in funds £	At 31/8/20 £
Unrestricted funds			
General fund	135,836	(250,863)	(115,027)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	5,000	-	5,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL FUNDS	<u>145,836</u>	<u>(250,863)</u>	<u>(105,027)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,080,248	(1,331,111)	(250,863)
Restricted funds			
The Susan Tolman Award Fund	200	(200)	-
The Simeon Potter Book Fund	200	(200)	-
	<u>400</u>	<u>(400)</u>	<u>-</u>
TOTAL FUNDS	<u>1,080,648</u>	<u>(1,331,511)</u>	<u>(250,863)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/19 £	Net movement in funds £	At 31/8/21 £
Unrestricted funds			
General fund	135,836	(247,924)	(112,088)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	5,000	-	5,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL FUNDS	<u>145,836</u>	<u>(247,924)</u>	<u>(102,088)</u>

IOL EDUCATIONAL TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2021

16. Movement in funds - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,229,915	(2,477,839)	(247,924)
Restricted funds			
The Susan Tolman Award Fund	200	(200)	-
The Simeon Potter Book Fund	200	(200)	-
	<u>400</u>	<u>(400)</u>	<u>-</u>
TOTAL FUNDS	<u>2,230,315</u>	<u>(2,478,239)</u>	<u>(247,924)</u>

The Susan Tolman Continuing Professional Development Prize exists to provide a prize to the best DPSI candidate. During the year £Nil (2020: £200) was awarded and is deemed to be the interest earned on the fund.

The Simeon Potter Award has been generously established and is awarded to the best CBS candidate. During the year £Nil (2020: £200) was awarded and is deemed to be the interest earned on the fund.

17. Employee benefit obligations

The charitable company offers a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company. The unpaid contributions included in other creditors at the balance sheet date amount to £5,535 (2020: £12,748).

18. Related party disclosures

The IOL Educational Trust is an associated charity of the Chartered Institute of Linguists which provides management and administration services to the Trust.

During the year, the Trust recharged administrative expenses of £21,810 (2020: £7,678) to the Chartered Institute of Linguists and paid costs of £64,917 (2020: £369,764). Recharges of £100,270 (2020: £141,487) were repaid to the Chartered Institute of Linguists. At the balance sheet date, the net amount owed by IOL Educational Trust to The Chartered Institute of Linguists was £152,251 (2020: £16,664).

19. Liability of members

The charitable company is limited by guarantee and has no share capital. In the event of the charitable company being wound-up, the liability in respect of the guarantee is limited to £1 per member of the charitable company during the time they are a member or within one year of ceasing to be a member, as stated in the Memorandum and Articles of Association.

IOL EDUCATIONAL TRUST
Detailed Statement of Financial Activities
for the year ended 31 August 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Donated facilities	52,724	51,188
Investment income		
Deposit account interest	24	674
Charitable activities		
Examination fees	965,699	905,589
Centre fees	99,660	25,579
Registration fees	450	4,600
Appeals and re-marks	17,355	17,022
	1,083,164	952,790
Other income		
Furlough income	13,755	75,996
Total Incoming resources	1,149,667	1,080,648
Expenditure		
Charitable activities		
Staff costs	289,509	367,579
Social security	31,673	34,134
Pensions	14,979	16,131
Printing	15,606	37,143
Marketing	2,225	4,500
Other direct costs	1,869	1,153
Cost of setting exams	97,166	61,459
Examiners' fees & expenses	156,309	144,521
Moderators' fees & expenses	28,475	37,768
Co-ordinators	(1,184)	28,360
Interlocutors' fees	60,140	26,739
	696,767	759,487
Support costs		
Management		
Insurance	916	-
Finance		
Bank charges	9,289	4,484
Information technology		
Telephone	70,479	87,459
Repairs and renewals	3,528	5,121
	74,007	92,580
Human resources		
Wages	193,537	241,818
Carried forward	193,537	241,818

This page does not form part of the statutory financial statements

IOL EDUCATIONAL TRUST
Detailed Statement of Financial Activities
for the year ended 31 August 2021

	2021 £	2020 £
Human resources		
Brought forward	193,537	241,818
Pensions	20,001	21,016
Staff training and recruitment	<u>300</u>	<u>11,938</u>
	213,838	274,772
Other		
Rent & rates	52,724	51,188
Postage and stationery	405	7,249
General expenses	19,467	25,604
Travel and subsistence	244	8,628
Annual prize giving	1,823	6,035
Accountancy fees	61,709	75,401
Legal fees	934	8,985
Plant and machinery	2,863	2,676
Fixtures and fittings	3,537	3,737
Computer equipment	<u>3,045</u>	<u>5,555</u>
	146,751	195,058
Governance costs		
Auditors' remuneration	<u>5,160</u>	<u>5,130</u>
Total resources expended	<u>1,146,728</u>	<u>1,331,511</u>
Net Income/(expenditure)	<u><u>2,939</u></u>	<u><u>(250,863)</u></u>

IOL EDUCATIONAL TRUST

England & Wales - Charity number 1090263

Accounts

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 August 2020
for
IOL EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

IOL EDUCATIONAL TRUST
Contents of the Financial Statements
for the year ended 31 August 2020

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IOLE EDUCATIONAL TRUST
Report of the Trustees
for the year ended 31 August 2020

The Trustees present their annual report together with the audited financial statements for the year ended 31 August 2020.

Objectives and activities

The Company is established with the purpose of promoting the teaching, learning and study of modern languages in pursuit of the advancement of educational learning and the dissemination of information, understanding and knowledge of all aspects of modern languages. In particular it determines standards and criteria requisite to the setting and holding of exams for learners of modern languages and professional linguists such that they attain recognition of their proficiency in one or more such languages.

Public benefit

The Trustees confirm that they have complied with the duty of section 4 of the Charities Act 2011 to have due regard to the Charities Commission's general guidance and supplementary advice on public benefit in determining the activities undertaken by the Trust for the advancement of education. The Trustees believe that they can demonstrate that they clearly meet the two key principles of public benefit namely:

Principle 1 There must be an identifiable benefit or benefits

- 1a It must be clear what the benefits are and
- 1b The benefits must be related to the aims

The Trustees consider that in fulfilling the main aim of the Trust, namely the advancement and development of education, teaching and qualifications in a range of 50+ languages, they are acting in accordance with the government plans to develop an education system that contributes fully to the nation's vocational skills, enabling holders of Trust qualifications to make a contribution to the field of languages in general, including public service interpreting and translation.

Principle 2 Benefits must be to the public or a section of the public.

- 2a The beneficiaries must be appropriate to the aims
- 2b Where the benefit is to a section of the public, the opportunity to benefit must not be restricted by geographical or other restrictions or by the ability to pay any fees
- 2c People in poverty must not be excluded from the opportunity to benefit

The Trust seeks to benefit the public by providing qualifications in modern languages, bilingual skills, public service interpreting, and translation in over fifty languages. It is recognised as an Awarding Organisation by the Office of Qualifications and Examinations Regulation (OFQUAL). Five of its qualifications have been accredited and are entered onto the National Qualifications Framework. The Diploma in Public Service Interpreting (DPSI) and the Diploma in Police Interpreting (DPI) qualifications are accepted for registration on the National Register of Public Service Interpreters (NRPSI) which is used by Public Service Organisations to access interpreters for legal, health and local government contexts.

The Trust's specific experience is in designing specialist accredited assessments to enable successful candidates to demonstrate fitness to practice in their chosen areas. Detailed examination specifications are provided so that course providers can develop and teach appropriate courses.

Fee income represents the only significant part of the Trust's income and the Trust works hard to ensure that fees are not an insurmountable barrier for potential beneficiaries. Despite financial pressures, the price increases are restricted to rates as near as possible to inflation, in order that access to the Trust's qualifications is as wide as possible.

Key financial performance indicators

CIOLQ's overall deficit has increased to £251k. This is due to costs incurred in a re-organisation with the loss of six posts, as well as loss in income from public services contracts. A Coronavirus 'bounceback loan' of £50k has been received and is on the balance sheet. It should be noted that CIOLQ has the clear ongoing support of CIOL, whose Council consider CIOLQ an important part of the overall CIOL Royal Charter purpose, offer and proposition to linguistics and language professionals.

Investment policy

The Trustee Directors decided that it is appropriate to hold any excess funds (cash balances vary with pulses of registration during the year) in high interest earning bank accounts.

IOL EDUCATIONAL TRUST
Report of the Trustees
for the year ended 31 August 2020

Review of the business

The context for the delivery of professional language qualifications changed dramatically this year with the onset of the Covid-19 pandemic in March. This disrupted planned face to face exam sessions which had to be deferred beyond the Financial year 2019/20 to November 2020, deferring some revenue streams. In response the Trust Board mandated a restructuring and redundancy programme to reduce costs, as well as the commissioning of an online platform to complement the use of Microsoft Teams in enabling online delivery of CIOLQ's key professional exams.

The Trust was successful in securing a further one year extension to one of its two major public service assessment contracts through to April 2022. Unfortunately the other major public service contract we had had was lost to another provider amplifying the need for restructuring and redundancy. The focus for 2021 is embedding the digital delivery of our flagship professional Interpreter and Translator exams and underpinning the delivery of our major public services contract with efficient online tools.

Principal funding sources

The funding of the Trust comes primarily from the exam entry fees levied. Expenditure in the year was spent principally on conducting the exams, with additional expenditure on Ofqual compliance and assurance activities such as Assessor training, updating policies, membership of professional bodies, alongside significant investment in our online delivery platforms.

Reserves policy

The Trust's reserve policy is to aim that it retains reserves equivalent to nine months' expenditure to reflect its legal and fiduciary obligations on a going concern basis. Account is also taken of the seasonal fluctuations in resource requirements and timings of exams through the year. The current level of reserves is believed to be sufficient.

The Trustees review the finances, budgets and expenditure against budgets as part of the effective stewardship of the Trust.

IOLE EDUCATIONAL TRUST
Report of the Trustees
for the year ended 31 August 2020

Future plans

CIOLQ will continue to work alongside its associated professional body CIOL, to accredit, develop, support and represent linguists in line with its Strategic Plan. As the UK prepares to formally leave the EU, ensuring that there is a pipeline of linguists with the linguistic skills necessary in a global economy will remain a critical part of CIOL and CIOLQ's work.

Further investment in online delivery, alongside developing further professional qualifications, will ensure our qualifications are fit-for-purpose in a changing external environment. A greater online capability will also better enable us to respond to the needs of those who commission, contract and procure language services - including language service providers and public services as well as providing pathways for individual linguists to enter the profession. Our contracted services to government and other organisations will remain an important part of the CIOLQ portfolio.

Together with CIOL, CIOLQ will work to promote professionalism within the languages sector, to push for better recognition of the value of languages and to support a wide audience of learners on a pathway to build their language expertise. It will do this, and promote the teaching and study of modern languages, by:

- a) Continuing to develop and deliver key qualifications (Diploma in Translation, the Diploma in Public Service Interpreting, the Diploma in Police Interpreting) as well as actively identifying opportunities for new related qualifications in response to market needs in the UK and overseas. It will do this within a new framework with clear entry points and career progression opportunities linked to qualifications.
- b) Having the unique feature of providing such qualifications in the widest possible range of languages, currently approximately 50 different languages each year, and finding sustainable solutions for languages where demand is critical but numbers are low i.e. in public sector interpreting and translating.
- c) Engaging at a national level to gain recognition of the need for consistent policy on languages, recognition for linguists and accreditation.
- d) Developing partnerships to develop, deliver and promote our qualifications with academic institutions, grant awarding bodies, professional organizations, representatives of commerce and industry, and organisations with similar concerns and interests.
- e) Responding to bespoke requirements for language assessment from education, business, government and the private sector.
- f) Continuing to uphold rigorous standards across the whole portfolio of qualifications and assessments. Supporting learners, candidates and centres in all aspects of the teaching and learning of our qualifications in order to provide coherent 'pathways' to qualification for all language learners seeking accreditation, with identifiable routes of progression.
- g) Working with the CIOL towards promoting chartership and wider recognition as the professional lead for languages and language professionals within the UK and for those who promote professionalism and bring candidates into the membership of the professional body.

Charity constitution

The IoL Educational Trust is a company limited by Guarantee (Registration No 04297497) and a Registered Charity (Charity Number 1090263). It is governed by its Memorandum and Articles dated 2 October 2001 as amended by Special Resolution dated 12 March 2009, Special Resolution dated 10 April 2015 and Special Resolution dated 10 April 2019. The latter Special Resolution updated the Aims and Objectives of the company, clarified the terms of office of Directors and recognised the addition of a new trading name, CIOL Qualifications, adopted on 12 February 2019.

The Board of Trustee Directors shall consist of at least five members, which will include the Chair of Council of the Chartered Institute of Linguists (ex officio), the maximum number shall be determined in a general meeting.

IoL EDUCATIONAL TRUST

Report of the Trustees for the year ended 31 August 2020

Recruitment, training, induction and appointment of new trustees

The IoL Educational Trust acknowledges the importance of providing effective induction and training programmes for Trustees. The induction of Trustees includes governance training, an introduction to the organisation through a meeting with the Chair of the Board, Executive officers and the Director of Finance.

They receive copies of the Memorandum and Articles of Association, the most recent annual report, the current budget, management accounts, together with a copy of 'The Essential Trustee: What you need to know', produced by the Charity Commission and available online. They are also briefed on the strategy and activities of the Chartered Institute of Linguists. All Trustees are reminded to access online the most recent edition of the newsletter of the Charity Commission, which helps them to keep abreast of relevant issues and concerns. Trustees are invited to attend an externally conducted Trustee Training Course related to the responsibilities of Trustees.

Organisational structure

The charity has a Board of Trustee Directors. The Chief Executive reports to the Board. The Head of Qualifications is responsible for the running of all qualification and examination activities on a daily basis. There are three managers, responsible for different functional areas of work (Live Assessment, Development and Production, Client Services), who together deliver all aspects of examination administration. The Chief Executive consults closely with the Chair of Trustee Directors on all matters of future policy and provides updates of activities at each meeting of the Board. The day to day running of the examinations is left to staff, under the direction of the Head of Qualifications. Policy decisions are discussed at Board level.

Key management remuneration

The Trustees consider the Board of Directors, the Chief Executive and the Head of Qualifications to be the key management personnel of the charity in terms of controlling and operating the Trust on a day-to-day basis. Details of trustees' expenses and key management and Trustees' remuneration are disclosed in Notes 8 and 9 of the accounts respectively.

The pay of senior staff is set at the market rate for the charity sector and is reviewed annually and as part of the budget setting process.

Related parties

The IoL Educational Trust is an associated charity of the Chartered Institute of Linguists. The Board of Trustee Directors includes the Chair of Council of the Chartered Institute of Linguists.

Risk management

The Trustee Directors monitor closely the viability of its exams in the light of the prevailing political and economic climate and produce an annual risk register. A risk management system is in place and reviewed by the Trustee Directors at each meeting of the Board.

IOL EDUCATIONAL TRUST
Report of the Trustees
for the year ended 31 August 2020

Registered Company number
04297497 (Not specified/Other)

Registered Charity number
1090263

Registered office
7th Floor
167 Fleet Street
London
EC4A 2EA

Trustees
Ms B S Holmes MBE Chair
Prof. C Pountain
Ms H J L Campbell
Mr N Mair
Ms J Wyburd
Mr K Moffitt
Ms J Gabler (ex-officio)
Ms A Stevens (ex-officio)

Company Secretary
Crossley Secretaries Limited

Auditors
Haines Watts
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

IOL EDUCATIONAL TRUST

Report of the Trustees for the year ended 31 August 2020

Statement of trustees' responsibilities

The trustees (who are also the directors of IOL Educational Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

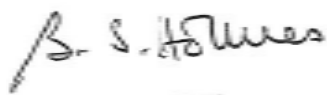
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 15 April 2021 and signed on its behalf by:



Ms B S Holmes - Trustee

Report of the Independent Auditors to the Members of IOL Educational Trust

Opinion

We have audited the financial statements of IOL Educational Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The directors' view on the impact of COVID-19 is disclosed in the accounting policies.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of IOL Educational Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable 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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Moughton (Senior Statutory Auditor)
for and on behalf of Haines Watts
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Date:

IOL EDUCATIONAL TRUST
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 August 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
Income and endowments from					
Donations and legacies	2	51,188	-	51,188	50,933
Charitable activities	4				
Examinations		952,790	-	952,790	1,403,014
Investment income	3	274	400	674	960
Other income		<u>75,996</u>	<u>-</u>	<u>75,996</u>	<u>-</u>
Total		1,080,248	400	1,080,648	1,454,907
Expenditure on					
Charitable activities	5				
Examination costs		759,487	-	759,487	1,080,055
Other		Regular costs 521,291			
		Exceptional costs 50,733			
	6	<u>571,624</u>	<u>400</u>	<u>572,024</u>	<u>528,578</u>
Total		1,331,111	400	1,331,511	1,608,633
NET INCOME/(EXPENDITURE)		(250,863)	-	(250,863)	(153,726)
Reconciliation of funds					
Total funds brought forward		135,836	10,000	145,836	299,562
Total funds carried forward		<u>(115,027)</u>	<u>10,000</u>	<u>(105,027)</u>	<u>145,836</u>

Continuing operations

All income and expenditure has arisen from continuing activities.

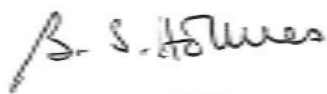
IOL EDUCATIONAL TRUST

**Balance Sheet
31 August 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fixed assets					
Tangible assets	11	14,779	-	14,779	23,756
Current assets					
Debtors	12	73,070	-	73,070	207,570
Cash at bank		<u>190,401</u>	<u>10,000</u>	<u>200,401</u>	<u>235,567</u>
		263,471	10,000	273,471	443,137
Creditors					
Amounts falling due within one year	13	<u>(343,277)</u>	-	<u>(343,277)</u>	<u>(321,057)</u>
Net current assets/(liabilities)		<u>(79,806)</u>	<u>10,000</u>	<u>(69,806)</u>	<u>122,080</u>
Total assets less current liabilities		(65,027)	10,000	(55,027)	145,836
Creditors					
Amounts falling due after more than one year	14	<u>(50,000)</u>	-	<u>(50,000)</u>	-
NET ASSETS/(LIABILITIES)		<u>(115,027)</u>	<u>10,000</u>	<u>(105,027)</u>	<u>145,836</u>
Funds	16				
Unrestricted funds				(115,027)	135,836
Restricted funds				<u>10,000</u>	<u>10,000</u>
Total funds				<u>(105,027)</u>	<u>145,836</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 15 April 2021 and were signed on its behalf by:



Ms B S Holmes - Trustee

IOL EDUCATIONAL TRUST

Cash Flow Statement
for the year ended 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(82,849)</u>	<u>(169,427)</u>
Net cash provided by/(used in) operating activities		<u>(82,849)</u>	<u>(169,427)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(2,991)</u>	<u>(7,764)</u>
Interest received		<u>674</u>	<u>960</u>
Net cash used in investing activities		<u>(2,317)</u>	<u>(6,804)</u>
Cash flows from financing activities			
New loans in year		<u>50,000</u>	<u>-</u>
Net cash used in financing activities		<u>50,000</u>	<u>-</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(35,166)	(176,231)
Cash and cash equivalents at the beginning of the reporting period		<u>235,567</u>	<u>411,798</u>
Cash and cash equivalents at the end of the reporting period		<u>200,401</u>	<u>235,567</u>

The notes form part of these financial statements

IOL EDUCATIONAL TRUST

**Notes to the Cash Flow Statement
for the year ended 31 August 2020**

1. Reconciliation of net expenditure to net cash flow from operating activities			
	2020	2019	
	£	£	
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(250,863)	(153,726)	
Adjustments for:			
Depreciation charges	11,968	13,293	
Interest received	(674)	(960)	
Decrease/(increase) in debtors	134,500	(126,642)	
Increase in creditors	<u>22,220</u>	<u>98,608</u>	
Net cash provided by/(used in) operations	<u>(82,849)</u>	<u>(169,427)</u>	
 2. Analysis of changes in net funds			
	At 1/9/19	Cash flow	At 31/8/20
	£	£	£
Net cash			
Cash at bank	<u>235,567</u>	<u>(35,166)</u>	<u>200,401</u>
	<u>235,567</u>	<u>(35,166)</u>	<u>200,401</u>
 Debt			
Debts falling due after 1 year	-	<u>(50,000)</u>	<u>(50,000)</u>
	-	<u>(50,000)</u>	<u>(50,000)</u>
 Total	<u>235,567</u>	<u>(85,166)</u>	<u>150,401</u>

IOL EDUCATIONAL TRUST

Notes to the Financial Statements for the year ended 31 August 2020

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The Trust is dependent on the continued support of the Chartered Institute of Linguists to ensure it is able to meet its debts as they fall due. The Council of the Chartered Institute of Linguists have confirmed their commitment to support the Trust financially for a period of at least twelve months from the signing of these accounts, which will enable the Trust to implement the new Investment and Development Plan to transform its services. Accordingly, the Trustees consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

Income

Incoming resources from charitable activities are recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Investment income arises from interest bearing bank accounts and is recognised on a receivable basis.

Donated services arise from the charity operating from 167 Fleet Street rent-free and are recognised on a receivable basis.

Government grants

Government grants are recognised in accordance with the accruals model. The charity received £75,996 of government grants in relation to the Coronavirus Job Retention Scheme relating to the year.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified as follows:

Examination costs comprising expenditure, including staff costs, directly attributable to the activity on an accruals basis. Where costs cannot be directly attributed they have been allocated to activities on a costs basis.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Headquarters.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Tangible fixed assets

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	25% per annum on a straight line basis
Database	-	33% per annum on a straight line basis
Fixtures & fittings	-	25% per annum on a straight line basis

Taxation

The charity is exempt from corporation tax on its charitable activities.

IOL EDUCATIONAL TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2020

1. Accounting policies - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the charitable company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measure at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the charitable company's cash management.

Financial liabilities and equity instruments issued by the charitable company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities. Equity instruments issued by the charitable company are recorded at the proceeds received, net of direct issue costs.

Apportionment of shared costs with the Chartered Institute of Linguists

The charitable company is based at the same premises as the Chartered Institute of Linguists and is charged a proportion of the shared costs based on occupancy. For the year ended 31 August 2020 the charitable company occupies 70% (2019: 70%) of the property and therefore is charged 70% (2019: 70%) of all shared costs.

2. Donations and legacies

	2020	2019
	£	£
Donated facilities	<u>51,188</u>	<u>50,933</u>

3. Investment income

	2020	2019
	£	£
Deposit account interest	<u>674</u>	<u>960</u>

IOL EDUCATIONAL TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2020**

4. Income from charitable activities

		2020	2019
	Activity	£	£
Examination fees	Examinations	905,589	1,343,478
Centre fees	Examinations	25,579	35,042
Registration fees	Examinations	4,600	5,098
Appeals and re-marks	Examinations	<u>17,022</u>	<u>19,396</u>
		<u>952,790</u>	<u>1,403,014</u>

5. Charitable activities costs

	Direct Costs £
Examination costs	<u>759,487</u>

6. Support costs

	Finance £	Information technology £	Human resources £
Other resources expended	<u>4,484</u>	<u>92,580</u>	<u>274,772</u>
		Governance costs £	Totals £
Other resources expended	<u>195,058</u>	<u>5,130</u>	<u>572,024</u>

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	5,130	6,530
Depreciation - owned assets	<u>11,968</u>	<u>13,292</u>

8. Trustees' remuneration and benefits

Trustee directors received remuneration of £34 (2019: £272) in respect of examiner's fees during the year.

Trustees' expenses

Trustee directors were reimbursed £241 (2019: £1,407) for travel expenses in the year.

IOL EDUCATIONAL TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2020**

9. Staff costs

	2020	2019
	£	£
Wages and salaries	609,397	571,915
Social security costs	34,134	39,957
Other pension costs	37,147	37,086
	<u>680,678</u>	<u>648,958</u>

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

	2020	2019
	12	13
Examinations	4	4
Admin	<u>16</u>	<u>17</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charitable company comprise the Trustees, the Chief Executive and the Head of Qualifications. The total employee benefits of key management personnel chargeable to the Trust were £110,900 (2019: £92,600).

10. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	50,933	-	50,933
Charitable activities			
Examinations	1,403,014	-	1,403,014
Investment income	<u>560</u>	<u>400</u>	<u>960</u>
Total	1,454,507	400	1,454,907
Expenditure on			
Charitable activities			
Examination costs	1,080,055	-	1,080,055
Other	<u>528,178</u>	<u>400</u>	<u>528,578</u>
Total	1,608,233	400	1,608,633
NET INCOME/(EXPENDITURE)	(153,726)	-	(153,726)
Reconciliation of funds			
Total funds brought forward	289,562	10,000	299,562
Total funds carried forward	<u>135,836</u>	<u>10,000</u>	<u>145,836</u>

IOL EDUCATIONAL TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2020**

11. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 September 2019	95,239	60,544	71,565	227,348
Additions	<u>2,991</u>	<u>-</u>	<u>-</u>	<u>2,991</u>
At 31 August 2020	<u>98,230</u>	<u>60,544</u>	<u>71,565</u>	<u>230,339</u>
Depreciation				
At 1 September 2019	91,199	49,543	62,850	203,592
Charge for year	<u>2,676</u>	<u>3,737</u>	<u>5,555</u>	<u>11,968</u>
At 31 August 2020	<u>93,875</u>	<u>53,280</u>	<u>68,405</u>	<u>215,560</u>
Net book value				
At 31 August 2020	<u>4,355</u>	<u>7,264</u>	<u>3,160</u>	<u>14,779</u>
At 31 August 2019	<u>4,040</u>	<u>11,001</u>	<u>8,715</u>	<u>23,756</u>

12. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	7,144	148,007
Other debtors	14,819	17,123
Prepayments and accrued income	<u>51,107</u>	<u>42,440</u>
	<u>73,070</u>	<u>207,570</u>

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	20,260	22,603
Amounts owed to group undertakings	-	104,684
Social security and other taxes	67,925	20,888
Other creditors	29,412	6,644
Accrued expenses	<u>225,680</u>	<u>166,238</u>
	<u>343,277</u>	<u>321,057</u>

IOL EDUCATIONAL TRUST

**Notes to the Financial Statements - continued
for the year ended 31 August 2020**

14. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other loans (see note 15)	<u>50,000</u>	<u>-</u>

15. Loans

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>10,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>40,000</u>	<u>-</u>

16. Movement in funds

	At 1/9/19 £	Net movement in funds £	At 31/8/20 £
Unrestricted funds			
General fund	135,836	(250,863)	(115,027)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL FUNDS	<u>145,836</u>	<u>(250,863)</u>	<u>(105,027)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,080,248	(1,331,111)	(250,863)
Restricted funds			
The Susan Tolman Award Fund	200	(200)	-
The Simeon Potter Book Fund	<u>200</u>	<u>(200)</u>	<u>-</u>
	<u>400</u>	<u>(400)</u>	<u>-</u>
TOTAL FUNDS	<u>1,080,648</u>	<u>(1,331,511)</u>	<u>(250,863)</u>

IOL EDUCATIONAL TRUST

Notes to the Financial Statements - continued
for the year ended 31 August 2020

16. Movement in funds - continued

Comparatives for movement in funds

	At 1/9/18 £	Net movement in funds £	At 31/8/19 £
Unrestricted funds			
General fund	289,562	(153,726)	135,836
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	5,000	-	5,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL FUNDS	<u>299,562</u>	<u>(153,726)</u>	<u>145,836</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,454,507	(1,608,233)	(153,726)
Restricted funds			
The Susan Tolman Award Fund	200	(200)	-
The Simeon Potter Book Fund	200	(200)	-
	<u>400</u>	<u>(400)</u>	<u>-</u>
TOTAL FUNDS	<u>1,454,907</u>	<u>(1,608,633)</u>	<u>(153,726)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/18 £	Net movement in funds £	At 31/8/20 £
Unrestricted funds			
General fund	289,562	(404,589)	(115,027)
Restricted funds			
The Susan Tolman Award Fund	5,000	-	5,000
The Simeon Potter Book Fund	5,000	-	5,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL FUNDS	<u>299,562</u>	<u>(404,589)</u>	<u>(105,027)</u>

IOL EDUCATIONAL TRUST

Notes to the Financial Statements - continued for the year ended 31 August 2020

16. Movement in funds - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,534,755	(2,939,344)	(404,589)
Restricted funds			
The Susan Tolman Award Fund	400	(400)	-
The Simeon Potter Book Fund	400	(400)	-
	<u>800</u>	<u>(800)</u>	<u>-</u>
TOTAL FUNDS	<u>2,535,555</u>	<u>(2,940,144)</u>	<u>(404,589)</u>

The Susan Tolman Continuing Professional Development Prize exists to provide a prize to the best DPSI candidate. During the year £200 (2019: £200) was awarded and is deemed to be the interest earned on the fund.

The Simeon Potter Award has been generously established and is awarded to the best CBS candidate. During the year £200 (2019: £200) was awarded and is deemed to be the interest earned on the fund.

17. Pension commitments

The charitable company offers a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company. The unpaid contributions included in other creditors at the balance sheet date amount to £12,748 (2019: £6,644).

18. Related party disclosures

The IOL Educational Trust is an associated charity of the Chartered Institute of Linguists which provides management and administration services to the Trust.

During the year, the Trust recharged administrative expenses of £7,678 (2019: £4,746) to the Chartered Institute of Linguists and paid costs of £369,764 (2019: £323,703). Recharges of £141,487 (2019: £213,926) were repaid to the Chartered Institute of Linguists. At the balance sheet date, the net amount owed by IOL Educational Trust to The Chartered Institute of Linguists was £16,664 (2019: £104,684).

19. Liability of members

The charitable company is limited by guarantee and has no share capital. In the event of the charitable company being wound-up, the liability in respect of the guarantee is limited to £1 per member of the charitable company during the time they are a member or within one year of ceasing to be a member, as stated in the Memorandum and Articles of Association.

IOL EDUCATIONAL TRUST
Detailed Statement of Financial Activities
for the year ended 31 August 2020

	2020 £	2019 £
Income and endowments		
Donations and legacies		
Donated facilities	51,188	50,933
Investment income		
Deposit account interest	674	960
Charitable activities		
Examination fees	905,589	1,343,478
Centre fees	25,579	35,042
Registration fees	4,600	5,098
Appeals and re-marks	17,022	19,396
	952,790	1,403,014
Other income		
Furlough income	75,996	-
Total incoming resources	1,080,648	1,454,907
Expenditure		
Charitable activities		
Staff costs	367,579	417,775
Social security	34,134	39,957
Pensions	16,131	18,749
Printing	37,143	49,272
Marketing	4,500	8,954
Other direct costs	1,153	1,412
Cost of setting exams	61,459	125,040
Examiners' fees & expenses	144,521	230,535
Moderators' fees & expenses	37,768	49,796
Co-ordinations	28,360	67,816
Interlocutors' fees	26,739	70,749
	759,487	1,080,055
Support costs		
Finance		
Bank charges	4,484	4,609
Information technology		
Telephone	87,459	76,153
Repairs and renewals	5,121	114
	92,580	76,267
Human resources		
Wages	241,818	154,140
Carried forward	241,818	154,140

This page does not form part of the statutory financial statements

IOL EDUCATIONAL TRUST
Detailed Statement of Financial Activities
for the year ended 31 August 2020

	2020	2019
	£	£
Human resources		
Brought forward	241,818	154,140
Pensions	21,016	18,337
Staff training and recruitment	11,938	13,475
	274,772	185,952
Other		
Rent & rates	51,188	50,933
Repairs and renewals	-	8,769
Postage and stationery	7,249	28,423
General expenses	25,604	43,435
Travel and subsistence	8,628	19,145
Annual prize giving	6,035	6,026
Accountancy fees	75,401	79,910
Legal fees	8,985	5,286
Plant and machinery	2,676	2,011
Fixtures and fittings	3,737	3,348
Computer equipment	5,555	7,934
	195,058	255,220
Governance costs		
Auditors' remuneration	5,130	6,530
Total resources expended	1,331,511	1,608,633
Net expenditure	(250,863)	(153,726)