

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
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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.

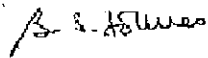
In so far as the trustees are aware:

- 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.

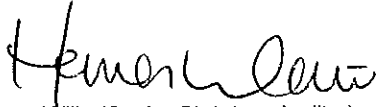
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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

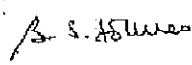
IOL EDUCATIONAL TRUST

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 on03 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	<u>(54,717)</u>		<u>22,220</u>
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>(50,000)</u>
	<u>(50,000)</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	34,980	37,147
	<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	2	4
	<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	75,996	-	75,996
Total	1,080,248	400	1,080,648
Expenditure on			
Charitable activities			
Examination costs	759,487	-	759,487
Other	571,624	400	572,024
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	92,964	225,680
	<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	5,000	-	5,000
	<u>10,000</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

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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>

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