

**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**

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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.

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

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**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**

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### **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**

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**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**

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**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.

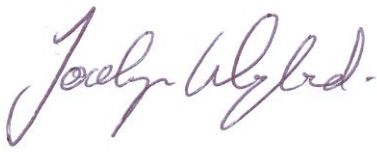
**Auditors**

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**

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

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J Wyburd - Chair



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

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### 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](http://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**

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**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 £
<b>Income and endowments from</b>	<b>Notes</b>				
Donations and legacies	2	-	-	-	52,724
<b>Charitable activities</b>	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>
<b>Total</b>		<u>642,545</u>	<u>-</u>	<u>642,545</u>	<u>1,149,667</u>
<b>Expenditure on</b>					
<b>Charitable activities</b>	5				
Examination costs		540,427	-	540,427	696,767
Other		<u>479,098</u>	<u>-</u>	<u>479,098</u>	<u>449,961</u>
<b>Total</b>		<u>1,019,525</u>	<u>-</u>	<u>1,019,525</u>	<u>1,146,728</u>
<b>NET INCOME/(EXPENDITURE)</b>		(376,980)	-	(376,980)	2,939
<b>Reconciliation of funds</b>					
Total funds brought forward		(112,088)	10,000	(102,088)	(105,027)
<b>Total funds carried forward</b>		<u>(489,068)</u>	<u>10,000</u>	<u>(479,068)</u>	<u>(102,088)</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**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>Fixed assets</b>					
Tangible assets	11	3,472	-	3,472	9,564
<b>Current assets</b>					
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
<b>Creditors</b>					
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>
<b>Net current assets/(liabilities)</b>					
		(449,069)	10,000	(439,069)	(52,088)
<b>Creditors</b>					
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>
<b>NET ASSETS/(LIABILITIES)</b>					
<b>Funds</b>	16				
Unrestricted funds				(489,068)	(112,088)
Restricted funds				<u>10,000</u>	<u>10,000</u>
<b>Total funds</b>				<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 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(101,849)</u>	<u>(4,369)</u>
Net cash used in operating activities		<u>(101,849)</u>	<u>(4,369)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(216)	(4,230)
Sale of tangible fixed assets		316	-
Interest received		<u>52</u>	<u>24</u>
Net cash provided by/(used in) investing activities		<u>152</u>	<u>(4,206)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		<u>(10,001)</u>	<u>-</u>
Net cash (used in)/provided by financing activities		<u>(10,001)</u>	<u>-</u>
		<u>          </u>	<u>          </u>
<b>Change in cash and cash equivalents in the reporting period</b>		(111,698)	(8,575)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>191,826</u>	<u>200,401</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>80,128</u></u>	<u><u>191,826</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 2022

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

	2022 £	2021 £
<b>Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)</b>	(376,980)	2,939
<b>Adjustments for:</b>		
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>
<b>Net cash used in operations</b>	<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 £
<b>Net cash</b>			
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>
<b>Debt</b>			
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>
<b>Total</b>	<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**

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**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**

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**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**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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><b>418,414</b></u>	<u><b>549,699</b></u>

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

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

	<b>Unrestricted fund</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from</b>			
Donations and legacies	52,724	-	52,724
<b>Charitable activities</b>			
Examinations	1,083,164	-	1,083,164
Investment income	24	-	24
Other income	<u>13,755</u>	<u>-</u>	<u>13,755</u>
<b>Total</b>	<u><b>1,149,667</b></u>	<u><b>-</b></u>	<u><b>1,149,667</b></u>
<b>Expenditure on</b>			
<b>Charitable activities</b>			
Examination costs	696,767	-	696,767
Other	<u>449,961</u>	<u>-</u>	<u>449,961</u>
<b>Total</b>	<u><b>1,146,728</b></u>	<u><b>-</b></u>	<u><b>1,146,728</b></u>
<b>NET INCOME</b>	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 £
<b>Reconciliation of funds</b>			
Total funds brought forward	(115,027)	10,000	(105,027)
<b>Total funds carried forward</b>	<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 £
<b>Cost</b>				
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>
<b>Depreciation</b>				
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>
<b>Net book value</b>				
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
	£	£	£
<b>Unrestricted funds</b>			
General fund	(112,088)	(376,980)	(489,068)
<b>Restricted funds</b>			
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>
<b>TOTAL FUNDS</b>	<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
	£	£	£
<b>Unrestricted funds</b>			
General fund	642,545	(1,019,525)	(376,980)
<b>TOTAL FUNDS</b>	<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**

	<b>At 1/9/20 £</b>	<b>Net movement in funds £</b>	<b>At 31/8/21 £</b>
<b>Unrestricted funds</b>			
General fund	(115,027)	2,939	(112,088)
<b>Restricted funds</b>			
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
<b>TOTAL FUNDS</b>	<u>(105,027)</u>	<u>2,939</u>	<u>(102,088)</u>

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

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

	<b>At 1/9/20 £</b>	<b>Net movement in funds £</b>	<b>At 31/8/22 £</b>
<b>Unrestricted funds</b>			
General fund	(115,027)	(374,041)	(489,068)
<b>Restricted funds</b>			
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
<b>TOTAL FUNDS</b>	<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:

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

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Donated facilities	-	52,724
<b>Investment income</b>		
Deposit account interest	52	24
<b>Charitable activities</b>		
Examination fees	542,108	965,699
Centre fees	86,532	99,660
Registration fees	150	450
Appeals and re-marks	13,703	17,355
	642,493	1,083,164
<b>Other income</b>		
Furlough income	-	13,755
<b>Total incoming resources</b>	642,545	1,149,667
<b>Expenditure</b>		
<b>Charitable activities</b>		
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	24,799	60,140
	540,427	696,767
<b>Support costs</b>		
<b>Management</b>		
Hire of plant and machinery	632	-
Insurance	836	916
Management fee	256,711	-
	258,179	916
<b>Finance</b>		
Bank charges	9,237	9,289
<b>Information technology</b>		
Telephone	23,983	70,479
Repairs and renewals	-	3,528
	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**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Information technology</b>		
<b>Human resources</b>		
Wages	90,950	193,537
Social security	10,578	-
Pensions	14,765	20,001
Staff training and recruitment	<u>-</u>	<u>300</u>
	116,293	213,838
<b>Other</b>		
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	<u>1,345</u>	<u>3,045</u>
	65,642	146,751
<b>Governance costs</b>		
Auditors' remuneration	<u>5,764</u>	<u>5,160</u>
Total resources expended	<u>1,019,525</u>	<u>1,146,728</u>
<b>Net (expenditure)/income</b>	<u><u>(376,980)</u></u>	<u><u>2,939</u></u>

This page does not form part of the statutory financial statements