

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

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

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

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

**Objectives and activities**

**Objectives and aims**

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

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

**Public benefit**

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

Principle 1 There must be an identifiable benefit or benefits.

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

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

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

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

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

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

**Achievement and performance**

**Key financial performance indicators**

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

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

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**Achievement and performance**

**Review of the business**

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

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

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

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

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

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

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

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

**Financial review**

**Principal funding sources**

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

**Reserves policy**

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

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

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**Future plans**

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

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

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

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

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

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

**Structure, governance and management**

**Charity constitution**

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

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

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

**Recruitment and appointment of new trustees**

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

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

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

**Related parties**

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

**Risk management**

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

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

**Reference and administrative details**

**Registered Company number**

04297497 (Not specified/Other)

**Registered Charity number**

1090263

**Registered office**

Star House  
Star Hill,  
Rochester,  
Kent  
ME1 1UX

**Trustees**

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

**Company Secretary**

Crossley Secretaries Limited

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

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**Reference and administrative details**

**Auditors**

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

**Statement of trustees' responsibilities**

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

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**Auditors**

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

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

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



.....  
J Wyburd - Chair

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

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### Opinion

We have audited the financial statements of IoL Educational Trust (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



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

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### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We discussed with the Directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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 Cooper Parry Group Limited  
Statutory Auditor  
New Derwent House  
69-73 Theobalds Road  
London  
WC1X 8TA

Date: Feb 1, 2024 .....

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

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

**Continuing operations**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**IoL Educational Trust**

**Balance Sheet  
31 August 2023**

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

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

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



.....  
J Wyburd - Chair

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

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

The notes form part of these financial statements

IoL Educational Trust

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

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

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

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

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

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

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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 exams, the date of revenue recognition should be the date that the exam has taken place.

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

**Income**

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

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

**Expenditure**

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

Expenditure is classified as follows:

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

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

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

**Tangible fixed assets**

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

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

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

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

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**1. Accounting policies - continued****Taxation**

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

**Fund accounting**

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

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

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

**Pension costs and other post-retirement benefits**

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

**Financial instruments**

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

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

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

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

**Apportionment of shared costs with the Chartered Institute of Linguists**

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

**2. Investment income**

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



IoL Educational Trust

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

3. Income from charitable activities

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

4. Charitable activities costs

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

5. Support costs

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

6. Net income/(expenditure)

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

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

7. Trustees' remuneration and benefits

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

Trustees' expenses

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

IoL Educational Trust

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

8. Staff costs

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

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

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

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

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

9. Comparatives for the statement of financial activities

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

IoL Educational Trust

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

10. Tangible fixed assets

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

11. Debtors: amounts falling due within one year

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

12. Creditors: amounts falling due within one year

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

IoL Educational Trust

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

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

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

14. Loans

An analysis of the maturity of loans is given below:

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

15. Movement in funds

	At 1/9/22	Net movement in funds	At 31/8/23
	£	£	£
<b>Unrestricted funds</b>			
General fund	(489,068)	420,392	(68,676)
<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>(479,068)</u>	<u>420,392</u>	<u>(58,676)</u>

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

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

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

**15. Movement in funds - continued****Comparatives for movement in funds**

	<b>At 1/9/21 £</b>	<b>Net movement in funds £</b>	<b>At 31/8/22 £</b>
<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>
	10,000	-	10,000
<b>TOTAL FUNDS</b>	<u>(102,088)</u>	<u>(376,980)</u>	<u>(479,068)</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	642,545	(1,019,525)	(376,980)
<b>TOTAL FUNDS</b>	<u>642,545</u>	<u>(1,019,525)</u>	<u>(376,980)</u>

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

	<b>At 1/9/21 £</b>	<b>Net movement in funds £</b>	<b>At 31/8/23 £</b>
<b>Unrestricted funds</b>			
General fund	(112,088)	43,412	(68,676)
<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>(102,088)</u>	<u>43,412</u>	<u>(58,676)</u>

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

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

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

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**15. Movement in funds - continued**

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

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

**16. Employee benefit obligations**

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

**17. Related party disclosures**

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

**18. Liability of members**

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

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

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

This page does not form part of the statutory financial statements

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

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



# IOL Educational Trust - Financial Statements











## 2023 - 31.1.24

Final Audit Report

2024-02-01

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