2024-2025

FINANCIAL REPORT

Institute of Translation and Interpreting

WELCOME

I am pleased to report that the 2024-25 financial year shows a return to a balanced position, with the Institute achieving a modest surplus of £755 after the previous year's deficit of £49,318. Whilst this represents a significant improvement, it reflects careful financial management rather than growth.

The year continued to present operational challenges, with further staff changes impacting our capacity and requiring additional recruitment costs. We also made necessary investments in our technology, including further upgrades to our infrastructure and database/website.

The positive financial outcome was largely driven by the successful delivery of our Edinburgh conference in June 2024, which generated a healthy surplus of approximately £20,000. We also benefited from our new training partnership with the Centre for Translation Studies (CTS) at the University of Surrey. CTS delivered several cohorts of AI training for members, providing an additional revenue stream. Without these welcome contributions, our underlying operational position would have been more challenging.

There was a modest increase in membership subscription income from £602,137 to £614,341, while our events programme benefited substantially from the conference and the CTS partnership, with total events income rising to £201,283 compared to £65,226 in the previous non-conference year.

Administrative expenses increased to £856,570 from £765,320, reflecting both inflationary pressures and the additional costs associated with delivering the conference and managing operational disruptions. We continue to focus on maintaining efficient operations while ensuring that we deliver the high standard of services that our members expect.

The Board recognises that our financial outcome continues to be over-dependent on membership income and is heavily influenced by the cyclical nature of conference revenue and the volatility of other events income. With this in mind we remain committed to developing other income streams, including building our on-demand learning portfolio through the Learning Management System, though this will take time to establish. As a result of investing in additional staff capacity to explore business development opportunities our reserves have decreased to £199,360 from £232,502.

The Board continues to monitor our financial resilience carefully to ensure the Institute's long-term sustainability and we will be pursuing a number of new opportunities in the 2025-2026 financial year.

Fiona Gray

Fiona Gray – Director

FINANCIAL REPORT 24-25

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Institute of Translation and Interpreting

COMPANY INFORMATION

DIRECTORS:	M Dougan K A Gilchrist F Gray L W J Bingham S Robertson D A Evans A Y Kerod I C Perrett J Penet S Manca L C Byrne
SECRETARY:	Bridgehouse Company Secretaries
REGISTERED OFFICE:	Suite 141, Milton Keynes Business Centre Linford Wood Milton Keynes Buckinghamshire MK14 6GD
REGISTERED NUMBER:	02166933 (England and Wales)
ACCOUNTANTS:	MJB Accountants Limited Derngate Mews Derngate Northampton Northamptonshire NN1 1UE

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 30 April 2025.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2024 to the date of this report.

M Dougan

K A Gilchrist

F Gray

L W J Bingham

S Robertson

Other changes in directors holding office are as follows:

N K Bone – resigned 30 April 2025

C Swanwick-Roa – resigned 30 April 2025

A J McCrindle – resigned 30 April 2025

A Higgon – resigned 31 July 2024

D A Evans – appointed 1 May 2024

A Y Kerod – appointed 1 May 2024

L W Makembu – appointed 1 July 2024 – resigned 30 April 2025

I C Perrett, J Penet, S Manca and L C Byrne were appointed as directors after 30 April 2025 but prior to the date of this report.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Fiona Gray

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Fiona Gray – Director

Date: 26 July 2025

INCOME STATEMENT

	Notes	30.4.25 £	30.4.24 £
TURNOVER		849,347	709,447
Administrative expenses		856,570	765,320
OPERATING DEFICIT	4	(7,223)	(55,873)
Interest receivable and similar income		9,850	8,093
SURPLUS/(DEFICIT) BEFORE TAXATION		2,627	(47,780)
Tax on surplus/(deficit)		1,872	1,538
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		755	(49,318)

BALANCE SHEET

	Notes	30.4.25 £	30.4.25 £	30.4.24 £	30.4.24 £
FIXED ASSETS					
Intangible assets	5		65,640		76,134
Tangible assets	6		3,140		6,101
			68,780		82,235
CURRENT ASSETS					
Debtors	7	9,074		5,570	
Prepayments and accrued income		27,605		30,392	
Cash at bank and in hand		275,102		429,195	
		311,781		465,157	
CREDITORS					
Amounts falling due within one year	8	27,187		32,834	
NET CURRENT ASSETS			284,594		432,323
TOTAL ASSETS LESS CURRENT LIABILITIES			353,374		514,558
ACCRUALS AND DEFERRED INCOME			154,014		282,056
NET ASSETS			199,360		232,502
RESERVES					
Restricted fund			14,425		14,675
Designated fund			108,675		142,322
Income and expenditure account			76,260		75,505
			199,360		232,502

BALANCE SHEET CONTINUED

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 April 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2025 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Board of Directors and authorised for issue on 29 July 2025 and were signed on its behalf by:

Fiona Gray

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Fiona Gray – Director

NOTES TO THE FINANCIAL STATEMENTS

1. STATUTORY INFORMATION

Institute Of Translation And Interpreting is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc – 25% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 9 (2024-9).

The notes form part of these financial statements.

4. OPERATING DEFICIT

The operating deficit is stated after charging:

	30.4.25	30.4.24
	£	£
Depreciation – owned assets	2,961	4,617
Computer software amortisation	10,494	8,628

5. INTANGIBLE FIXED ASSETS

	Other intangible assets
	£
COST	
At 1 May 2024 and 30 April 2025	124,940
AMORTISATION	
At 1 May 2024	48,806
Charge for year	10,494
At 30 April 2025	59,300
NET BOOK VALUE	
At 30 April 2025	65,640
At 30 April 2024	76,134

6. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST	
At 1 May 2024 and 30 April 2025	29,630
DEPRECIATION	
At 1 May 2024	23,529
Charge for year	2,961
At 30 April 2025	26,490
NET BOOK VALUE	
At 30 April 2025	3,140
At 30 April 2024	6,101

The notes form part of these financial statements.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.25	30.4.24
	£	£
Trade debtors	550	–
Other debtors	8,524	5,570
	9,074	5,570

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.25	30.4.24
	£	£
Trade creditors	18,169	20,856
Taxation and social security	6,666	9,618
Other creditors	2,352	2,360
	27,187	32,834

REPORT OF THE ACCOUNTANTS TO THE DIRECTORS

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 30 April 2025 set out on pages three to eight and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

....

Mark Robinson

Date: 24 July 2025

MJB Accountants Limited
Derngate Mews
Derngate
Northampton
Northamptonshire
NN1 1UE

DETAILED INCOME & EXPENDITURE ACCOUNT

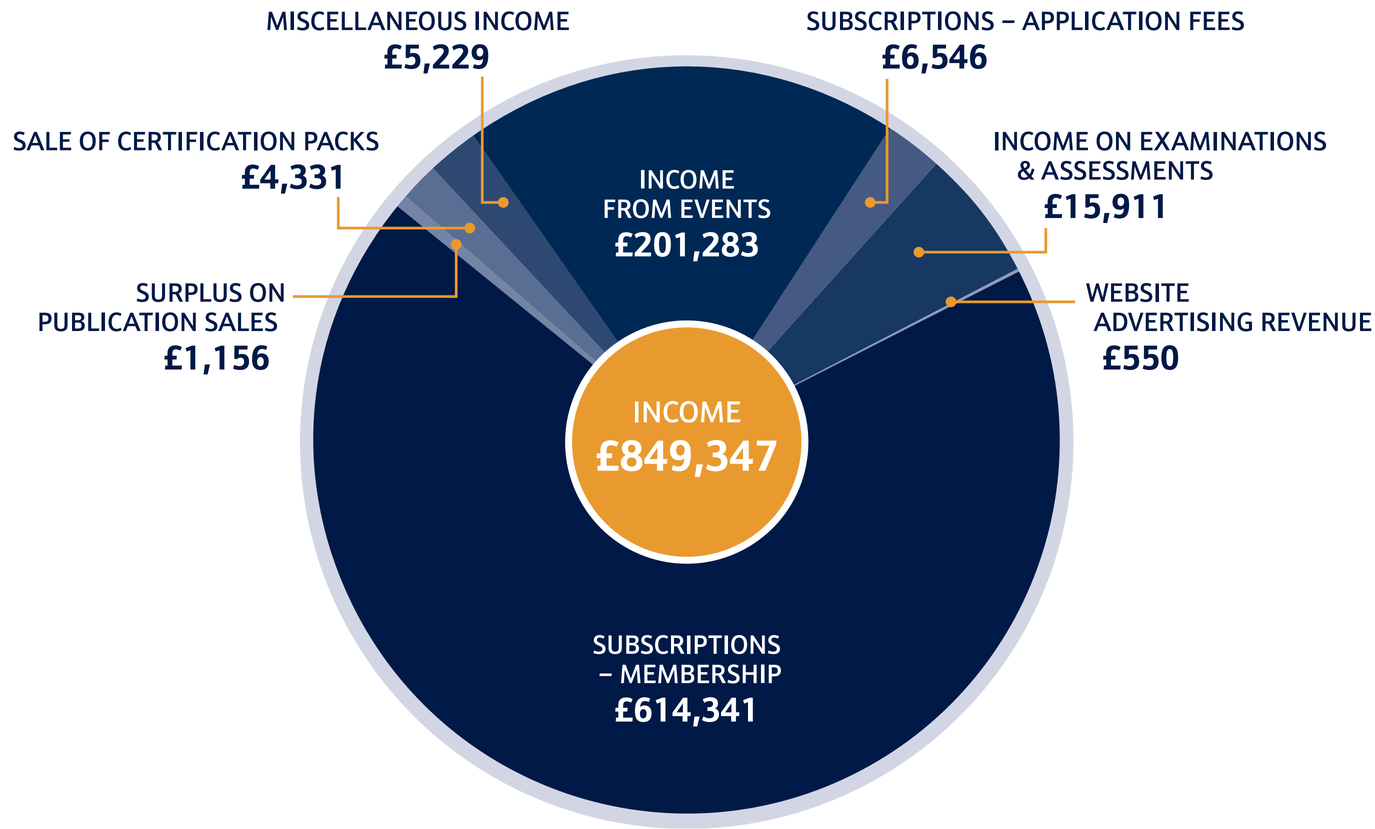
	30.4.25		30.4.24	
	£	£	£	£
TURNOVER				
Subscriptions – membership	614,341		602,137	
Subscriptions – application fees	6,546		7,808	
Income on examinations & assessments	15,911		23,895	
Income from events	201,283		65,226	
Surplus on publication sales	1,156		1,048	
Sale of certification packs	4,331		4,617	
Website advertising revenue	550		2,948	
Miscellaneous income	5,229		213	
Members PI income	–		1,555	
		849,347		709,447
OTHER INCOME				
Interest receivable		9,850		8,093
		859,197		717,540
EXPENDITURE				
Premises costs	35,683		36,657	
Staff Costs	386,736		379,945	
Administration	14,054		14,943	
Amortisation of intangible fixed assets				
Computer software	10,497		8,627	
Membership services	237,107		117,767	
Technology & communications	68,551		84,498	
		752,628		642,437
		106,569		75,103

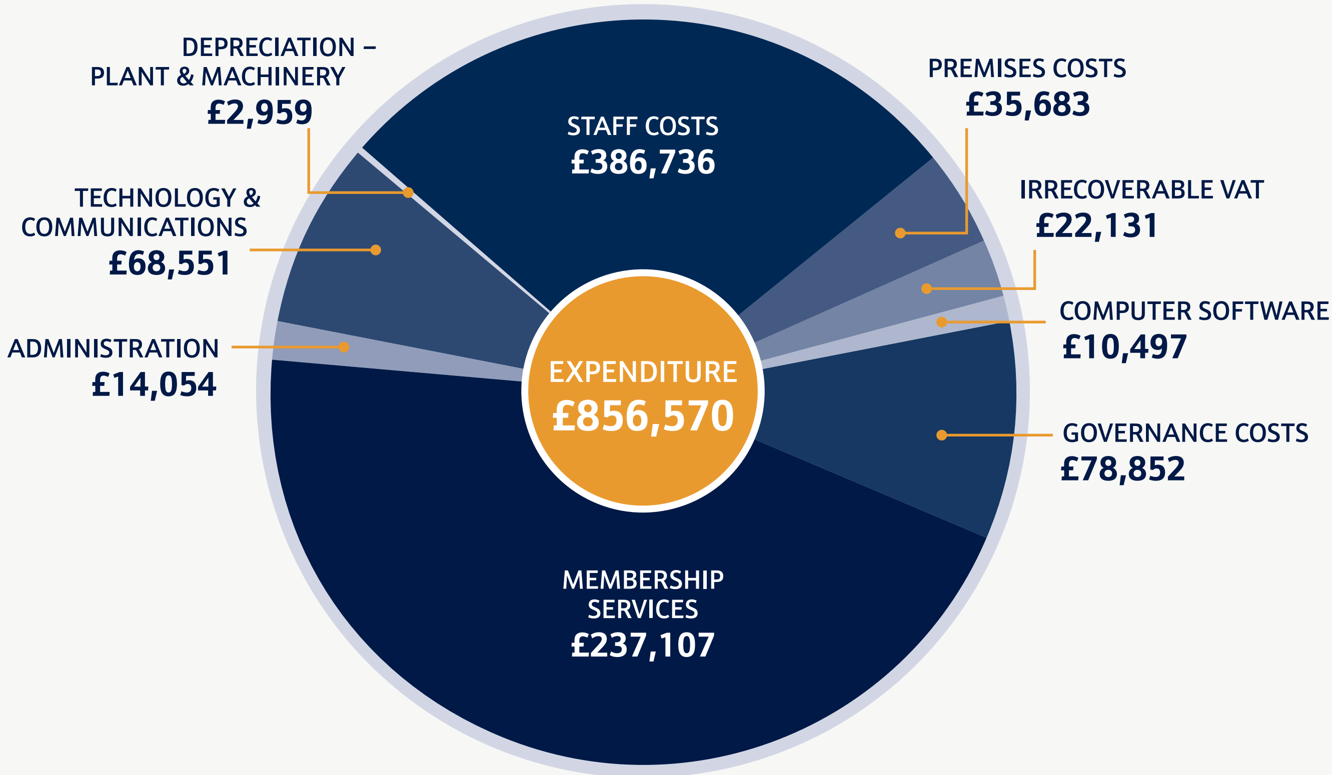
DETAILED INCOME & EXPENDITURE ACCOUNT CONTINUED

	30.4.25		30.4.24	
	£	£	£	£
FINANCE COSTS				
Governance costs	78,852		90,317	
Irrecoverable VAT provision	22,131		27,949	
		100,983		118,266
		5,586		(43,163)
DEPRECIATION				
Plant and machinery		2,959		4,617
NET SURPLUS/(DEFICIT)		2,627		(47,780)

This page does not form part of the statutory financial statements.

DETAILED INCOME & EXPENDITURE ACCOUNT CONTINUED





This page does not form part of the statutory financial statements.

COMMENTARY: QUESTIONS & ANSWERS

Prepared by Chief Executive, Sara Robertson, with Mark Robinson of MJB Accountants

In the Commentary section of the Report, we answer questions that members may have about ITI's finances and offer more detailed explanations to aid a deeper understanding of our accounts.

ITI outsources all aspects of financial management to MJB Accountants, including the preparation of monthly management accounts and the end of year accounts. Mark and his team at MJB Accountants provide regular support and advice to the Board and office team.

Income Statement (page 5)

Why has Turnover increased from to £709,447 to £849,347?

The increase in Turnover in this financial year can largely be attributed to it being a conference year and to the welcome income from the new training partnership we developed with the Centre for Translation Studies at the University of Surrey.

Where does Interest Received come from?

We spread our income and reserves over various accounts to minimise any risk. Some accounts pay interest, which can be received at various times throughout the year. Although the interest rate decreased over the last year the total amount received is still a little higher than the previous year. The overall sum remains modest as we do not hold large sums of money in reserves.

What is the surplus for the 2024-25 financial year?

A. We are reporting a modest net surplus before taxation of £2,627.

Why did we pay £1,872 in tax when the surplus was only £2,627?

We only pay tax on income from bank interest.

Balance Sheet (pages 6-7)

Why have the values within Current Assets changed?

Current Assets are made up of Debtors, Prepayments and Cash at bank. All of these are fluctuating assets and change throughout the year. We can say that current assets have decreased from £465,157 to £311,781 primarily due to a reduction in the amount of money held in the bank account at the end of the year. This is mainly due to receiving conference income in advance.

Why is there a decrease in the amounts due to Creditors?

The decrease in amounts due to Creditors is due to the timing of invoices received. This figure fluctuates annually.

Why did Accruals and deferred income decrease significantly?

Accruals and deferred income decreased from £282,056 to £154,014. This largely reflects the timing difference between receiving conference income and incurring the associated costs, as well as changes in prepaid membership subscriptions.

What is the purpose of Reserves?

Organisations hold financial reserves for several reasons, most of which are related to ensuring long-term financial stability. Reserves provide a cushion against economic uncertainties, mitigate risks, and enable organisations to make strategic decisions to support their long-term goals and sustainability. The specific reasons for holding reserves may vary depending on the type and size of the organisation, the sector in which it operates, and its unique financial circumstances.

There are four key reasons why ITI endeavours to maintain appropriate levels of reserves:

- **Emergencies and unforeseen expenses:** Reserves act as a financial safety net, providing funds to deal with emergencies, crises, or unforeseen events without disrupting day-to-day operations. This might include natural disasters, economic downturns, legal challenges, or sudden changes in market conditions.
- **Business continuity:** Holding reserves enables an organisation to continue its operations and to meet financial obligations during periods of low revenue or profitability. This helps to maintain business continuity and prevents disruption to membership services due to short-term financial difficulties.
- **Investment opportunities:** Organisations with financial reserves have the ability to make strategic investments – including investing in digital technology, staff resources for new projects, or upgrading facilities – without relying on external financing. Investing in growth can help organisations to stay competitive in the long run.
- **Winding up costs:** These are the costs associated with the process of shutting down an organisation in an orderly manner and could arise from a number of circumstances: insolvency, a planned merger, or simply the decision to discontinue operations. Winding up costs include redundancy pay due to staff, paying debts, costs associated with terminating leases or other legal agreements, and professional/legal fees etc.

A general rule of thumb is that a not-for-profit organisation should hold three to six months' operating costs in reserves. For ITI this figure is around £150,000 to £300,000. At present our reserves are at the lower end of this spectrum, underpinning the need to diversify our income streams so that we can consistently generate a surplus in order to build our reserves.

What are the Restricted fund and the Designated fund?

Restricted funds contain money that can only be used for a specific purpose. ITI's Restricted fund includes monies given for ITI prizes.

An organisation may create a Designated fund by setting aside funds for specific purposes. However, monies held in a Designated fund can be reallocated for other uses or returned to unrestricted funds. The ITI's Designated fund has its origins in the monies gifted to ITI in its early years so that ITI could have an office.

Detailed Income and Expenditure Account (pages 12-14)

Why has income from assessments continued to decrease?

We believe that the current economic climate and uncertainties about future income are discouraging members from investing in their careers and committing to the assessment process in order to achieve qualified status. We are also aware that the cost of assessment is a potential barrier.

Why has income from events increased significantly?

Income from events was substantially higher this year due to holding our conference and also as a result of our new training partnership with the Centre for Translation Studies at the University of Surrey.

COMMENTARY: QUESTIONS & ANSWERS CONTINUED

Why have staff costs increased?

There is a small overall increase which is a combination of the cost-of-living increase awarded to staff and unplanned recruitment costs. However, this was balanced by savings made as a result of some staff members leaving and consequential restructuring of roles.

Why have Membership Services costs increased this year?

The increase in Membership Services is largely due to the fact that this financial year included the delivery of the ITI Conference.

Why have governance costs reduced this year?

Governance costs comprise the operational costs of having a Board of Directors, support from our electoral services company (MiVoice) and specialist company secretary services provided by Bridgehouse. The company secretary supports the Directors to fulfil their legal responsibilities as well as providing secretarial services for Board meetings and the AGM. The cost of providing these services varies depending on our needs and priorities but we have made a saving of around £11,000 in this financial year by handling more of the governance processes in-house.

What is irrecoverable VAT?

VAT is a consumption tax that is placed on products as value is added at each point in the supply chain. It is different from a standard sales tax because it is collected multiple times instead of just once.

Irrecoverable VAT arises because ITI is partially exempt from VAT. Partial exemption is a rule that comes into play when a business both makes VAT-taxable sales (sales that have VAT added) and VAT-exempt sales (sales with no VAT added). In this situation, the business might not be able to reclaim all the VAT it has paid on its expenses. Partial exemption aims to fairly divide the VAT that can be recovered and the VAT that can't be recovered based on the proportion of taxable and exempt sales. The Irrecoverable VAT amount is the amount that is not recoverable as a consequence of the partial exemption.

Why is the irrecoverable VAT figure lower this year?

The VAT calculation is affected by the proportion of exempt income (Membership subscriptions) to taxable income (events and conference etc). The figure is lower this year largely because we held a conference during the financial year.

What is amortisation?

Amortisation is the gradual writing-off of the cost of assets. While we may pay for the assets with our cash, we spread the cost by writing down their value through the accounts over the period that we expect them to be useful to us. Tangible assets are items such as desks and computers that have a physical value. Intangible assets are items that have no physical value such as computer software. In our case our CRM (member database) and website are our highest value.

ABOUT US

The Institute of Translation and Interpreting (ITI) is the only UK-wide independent professional membership association for practising translators, interpreters and all those involved in the language services sector.

Founded in 1986, we now have just under 3,000 members, both in the UK and internationally.

Our vision is to contribute to a world where every word is understood, and where language is never a barrier. We achieve this through supporting and developing skilled professional translators and interpreters, and promoting the value of their expertise.

We also seek to promote the needs of the profession and to raise awareness in the business community, and in society more broadly, of the value of professional translation and interpreting.

Institute of Translation and Interpreting

Call
+44 (0) 1908 325250

Email
info@iti.org.uk

Visit
www.iti.org.uk

Suite 141
Milton Keynes
Business Centre

Foxhunter Drive
Linford Wood
Milton Keynes
MK14 6GD

Registered in England and Wales No 2166933.
Annual reviews and financial reports are available on the ITI website.