

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN
(A company limited by guarantee)
CONTENTS

	Page
Reference and administrative details of the charity, its Trustees and advisers	1
Chair's statement	2 - 3
Trustees' report	4 - 9
Trustees' responsibilities statement	10
Independent auditor's report on the financial statements	11 - 14
Consolidated statement of financial activities	15
Consolidated balance sheet	16 - 17
Charity balance sheet	18 - 19
Consolidated statement of cash flows	20
Notes to the financial statements	21 - 50

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN
(A company limited by guarantee)
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees	Katie Flitcroft Marguerite Campbell Pedersen Pia Pompea Tonna Justine Carmody FGA, Chair Nevin Bayoumi-Stefanovic FGA Philip Sadler FCCA, FGA, DGA Joanna Hardy FGA
Company registered number	01945780
Charity registered number	1109555
Registered office	16 Great Queen Street Covent Garden London WC2B 5AH
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

CHAIR'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Association continues to make significant progress in establishing better internal processes after completing the full upgrade of our internal IT and infrastructure systems in 2022/23. The upgrade of our IT systems was a critical component of the Charities digital first approach. With the enhanced platform in place, we embarked on and completed a Brand review in 2023 and a Website upgrade during 2023 and early 2024.

The Association has a hybrid working model, consistent with the need to deliver services to our Students and Members and maintaining the important work of the Association. The Association has fully embraced education technology and has made provisions for our global teaching centres to continue delivering theoretical aspects of the course using hybrid teaching methods. We are grateful for the ongoing resilience of Gem A staff through these internal changes.

Following the successful launch of GemINTRO in 2022, we have continued to further establish the reseller agreements with regards GemINTRO in North America, India, and the Middle East, whilst also working on growing the market for the translation of GemINTRO to Chinese Traditional to launch the course in Greater China.

In 2024, it was decided not to continue the entity previously formed of Gem-A USA. It is important to understand that the efforts to grow the USA market will continue, but not under the separate non-profit organization of Gem-A USA. The USA board, with direction from then CEO Alan Hart and then COO Nysa Pradhan, voted, and authorised the dissolution in May. This decision was primarily financial as it was clear that a US-based separate entity would require a substantial influx of funds from the UK charity in the initial years of activity.

Gem-A has had a strong following in the US with hundreds of graduates of the Gem-A education programs over the years. Like other countries that Gem-A has a strong presence, the USA is expected to continue with business as usual. Gem-A will continue to sell its new Gem Intro courses to individuals and companies in the USA and will look to expand its ATCs and tutors that currently assist with education. The intent is to continue with exposure at trade shows and conferences in the USA as the UK board and staff deem appropriate. The Tucson Gem Show has long been a major trade show that Gem-A exhibits at and will continue in the UK brand only. The Association attended the Tucson Gem show in February 2023, and we were delighted to meet our Members, partners, and friends who were in attendance.

Looking to the future, the Association continues to identify new regions to grow and advance its education and membership offering, while continuing to support and further develop its presence in existing regions globally.

The Association's flagship publication, The Journal of Gemmology, under the editorship of Brendan Laurs continues to flourish and is highly regarded internationally, with a print run of over 2,500 per quarter with all back issues being available online. We continue to publish Gems & Jewellery magazine online. This publication, under the editorship of Jennifer Lynn Archuletta, continues to be popular with wide ranging articles from a growing number of specialists across the gemmological fields. The Members of the Council and Trustees have made the decision to continue publication of Gems & Jewellery online for the foreseeable future.

The Association held another highly successful well attended Gem A Conference and dinner in 2023. Building on that success Richard Drucker, our President, Brendan Laurs, our Editor of the Journal of Gemmology and Pia Tonna a Trustee and Board Member have given an enormous amount of time in organising the 2024 Gem A Conference with a distinguished list of speakers.

We also organised the annual celebration of our students' academic success in the form of the Graduation and Awards ceremony which was well attended by successful students and their families. The 2024 Graduation and Awards Ceremony will return to the same venue at Goldsmiths' Hall in the City of London where once again we will celebrate the success achieved by our students in the 2023 / 2024 academic year.

During 2023, the Members of the Council and Board of Trustees have continued to support the Association in providing strategic oversight for Gem A. In 2022 we paused work on reviewing and updating the Association's strategy. This work has been temporarily interrupted following the resignation in May 2024 of our former Chief Executive. As a Board of Trustees, we are now focussed on recruiting our next Chief Executive and working with them to consider a possible revision to the existing strategy for the Association once they are on board and have had a chance to review and consider our current position and the risks and opportunities we face.

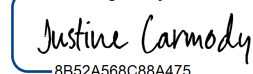
THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****CHAIR'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Members of the Council and Trustees can confirm that just like other organisations both in the UK and globally the Association has had a challenging financial year with a swing from a surplus in 2022 to a deficit in 2023. While there are many challenges still facing the Association, largely due to the current political and economic landscape, especially in key regions where the Association is very active, we are confident in our ability to withstand these issues as we continue to provide world class education and membership services globally.

I give credit to our loyal staff and their continued efforts and professionalism, and I would like to thank them for not only their hard work, but also their passion, resilience, and commitment to the Association. The Board would also like to recognise the global ATC's, tutors and our examiners who have once again shown their outstanding commitment in maintaining our unparalleled high standards and course offerings that define us. I would like to thank members of the Board who generously give their time and advice freely and perform an essential role in overseeing Gem A on behalf of all its stakeholders. For my own part, it has been a privilege to play a direct and active role in continuing to support the Association through a very challenging period and I am pleased to say that Gem A remains a going concern.

Looking forward, 2024 and 2025 will continue to be challenging, however, through actions taken, and our strategic priorities, the Association will continue to remain adaptable, identifying new opportunities and pursuing growth in new areas. Fundamentally while we maintain the orderly running of the Charity with the support of a highly qualified Interim Chief Operating Officer in the short term overseen by the Board until the appointment of our next Chief Executive Officer, we remain confident in the Association's ability to continue to flourish and grow. Members are at the heart of the Association. We exist to support our Members through the different stages of their professional careers, from gemmology students through to experts and leaders within the industry. The support of our community, i.e., our Members, Students, and strategic partners, has been invaluable and I would like to offer my deepest gratitude to everyone who has been involved with the Association over our long history and I look forward to your continuing support and partnership in the times ahead.

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Justine Carmody FGA (Chair)

Date: 23-Sep-24 | 16:50 BST

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The Association's mission is 'to advance gemmology by education and the encouragement of best practices'. 'Gemmology' includes matters concerned with precious gem materials and the decorative and industrial arts which employ them, thus providing a wide remit within which the Association can develop its services.

The focus of the Association is to provide gemmological qualifications of the highest international reputation, namely the Gemmology Diploma and the Diamond Diploma, with graduation providing eligibility for election as a Fellow of the Gemmological Association (FGA) or as a Diamond Member of the Gemmological Association (DGA). These are, of course, dependent on the syllabi defined by the needs of the industry and our graduates, a robust examination and assessment system commensurate with the status and reputation of these qualifications, and the support to encourage our Members and Graduates to continue to maintain and develop their theoretical and practical expertise.

We experienced a 6% rise in total student numbers with 1,116 enrolling during 2023 (2022: 1,053). Our China numbers are still experiencing a decline as the market continues to take time to recover from unresolved covid factors locally and the economic climate is less favourable. The UK and the rest of the world compensated for this decline. During the year we had 1,826 active members (2022: 1,654) including Fellow of the Gemmological Association (FGA), Diamond Member of the Gemmological Association (DGA), Associate Members, Corporate Members and Direct Subscribers.

b. Employment policy

The Association's policy is to consult and discuss with employees at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information emails and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance. The Association gives firm emphasis on increasing equality, diversity and inclusion within the profession and the Association itself and is committed to provide an equal, diverse, and inclusive environment for staff and to work with our members and the industry to achieve this.

Applications for employment by disabled persons and special needs are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Association continues and that the appropriate training and reasonable adjustments to the workplace is arranged. It is the policy of the Association that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

a. Public benefit

During the year the Trustees had due regard to Gem A's public benefit requirements as a Charity. Gem A continues to endeavour to expand its education around the world both in areas with a large potential market for our education, including the United States of America, Middle East, India, China, and in developing countries which need relevant gem education to help establish and grow their gem markets and benefit the local economies and peoples.

The Association delivered a successful Conference returning to etc. Venue County Hall, which saw over 200 guests engage with 8 international speakers throughout the day. The Conference was followed by a day of tours and workshops culminating in the annual Graduation and Presentation of Awards ceremony at the historic Goldsmiths' Hall in the City of London. The Association was delighted with the overwhelmingly positive feedback received on the scheduled sessions and speaker quality.

In the UK outside of London, regional volunteer branches provided various educational events open to the public and continue to do so. The Association, where possible has actively promoted these events. Gem A staff also continue to contribute to articles and information to Gem Hub and other magazines dealing with ethical and gem education issues and served on various gem related advisory bodies and committees. Gem Hub, on the Gem A website, is an educational resource for aspiring and professional gemmologists across a range of disciplines which includes a variety of articles dedicated to enhancing gemmological knowledge as well as informative features that delve deeper into specific topics.

In 2023 Gem A continued to play an active part in CIBJO, The World Jewellery Confederation, with Gem A CEO, on the CIBJO Board, as well as industry bodies and European Standards meetings relating to developing guidelines and terminologies to benefit consumer confidence and to reduce the opportunities for fraud.

Financial review

a. Financial review

The consolidated statement of financial activities set out on page 14 of the financial statements shows how the group's incoming resources have been expended in the year ended 31 December 2023.

The year continued to present challenges as the Association faced poor market conditions largely due to geo political and economic instability, inflationary pressures, and economic conditions in our main sector market. As a result of these challenges, and even though the group's incoming resources rose by 6.37% from £2,987,749 to £3,178,194. Our total expenditure increased by 15.8% from £2,762,524 (as restated) to £3,200,073, due to continued cost pressures on delivering our activities. This resulted in a net expenditure before taxation of £21,879 in 2023 compared to a surplus of £225,225 (as restated) in 2022.

The Board acknowledge that a £247,104 swing from surplus to deficit and percentage increase in expenditure exceeding the percentage increase in income is not sustainable. The Board have taken action during 2024 to start reversing this trend. The incoming CEO will be tasked with reviewing all operations and getting back to a sustainable break-even operating model for the Association within a reasonable timescale.

The Association's wholly owned trading subsidiary, Gemmological Instruments Limited, made a profit of £450,427 (2022: as restated £430,105) before covenanted £295,916 (2022: as restated £255,214) to the Association.

The Gemmological Instruments' Limited subsidiary, Gemmological Consulting Beijing, had a deficit of £77,460 (2022: Surplus of £66,705) after paying £429,668 (2022: £375,950) in royalties and licence fees to Gemmological Instruments Limited.

The consolidated balance sheet set out on page 15 of the financial statements shows the financial position of the group at 31 December 2023.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

a. Financial review (continued)

Fixed assets of £3,862,857 (2022: £3,798,684) are represented by tangible assets of £3,730,874 (2022: £3,662,348), heritage assets being the examination and teaching collection of gemstones and books of £108,164 (2022: £108,164), and intangible assets of £23,819 (2022: £28,172).

Current assets are represented by stocks of £199,183 (2022: 173,831), debtors of £188,177 (2022: £185,683) and cash at bank and in hand of £1,107,499 (2022: £1,095,065). After deducting current liabilities of £1,274,904 (2022: £1,015,454), the net current assets amount to £219,955 (2022: £439,125).

Creditors falling due after more than one year comprises the bank loan of £1,490,456 (£1,575,573), which is repayable by instalments over the period to 2038.

The resulting net assets amount to £2,592,356 (2022: £2,662,236), which represents the Association's total unrestricted funds.

Prior period adjustments have been recognised to reclassify examination and teaching collections as heritage assets in the balance sheet, interest payments as financing cash flows in the statement of cash flows and a revised donation under covenant from the subsidiary, Gemmological Instruments Limited, arising due to an error in the previous financial statements of the subsidiary. Further details of the prior year adjustments and their impact on the financial statements are set out in note 21.

b. Going concern

The Trustees note that student and membership numbers continue to be flat and the economic outlook for the sectors our Members serve is poor at the current time. The Trustees are therefore aiming to get back to a break-even operating model within a reasonable timeframe. The charity currently has adequate liquid reserves that can be utilised to cover short to medium term downturns in the sectors we serve. They, therefore, have a reasonable expectation that the Association has adequate resources to continue in operational existence and will continue to meet its liabilities for the foreseeable future, being a period of at least twelve months from the date these financial statements are approved. The Members of the Council and Trustees continue to adopt the going concern basis in preparing the financial statements.

c. Reserves policy

It is the policy of the Association that unrestricted funds which have not been designated for a specific use should be maintained at a sufficient level to continue operations for at least six months. The Members of Council and Trustees consider that reserves at this level will ensure that, in the event of a significant drop in income, they will be able to continue the Association's current activities (including the provision of education and assessment to our students and invest the necessary resource to underpin our education and assessment function), cover any shortfall between income and expenditure, and cover maintenance and repairs to its premises. As at 31 December 2023, the total unrestricted funds amount to £2,592,356 (2022: as restated £2,662,236). Free reserves comprising net current assets of £219,955 (2022: as restated £439,125) and excluding deferred income of £780,053 (2022: £524,742) amount to £1,000,008 (2022: as restated £963,867). The trustees have decided to revisit the adequacy of the reserves policy during the year ended 31 December 2024.

d. Principal funding sources

The principal funding sources for the charity are education and membership income.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

e. Risk management

The Members of Council and Trustees have assessed the major risks to which the Association is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. This covers financial, governance, operational and reputational risks. During the year the Members of Council and Trustees continued to work with the staff of the Association to put in place management and operational procedures to mitigate these risks.

The Trustees are continuing the policy of expanding the Association's operations overseas, particularly in North America, Middle East and Asia, to improve the quality of education in countries where Gemmology is growing fastest. The Trustees understand the financial, ethical, and reputational risks involved and have ensured the co-operation of appropriate local partners to assist with the move into these new markets.

f. Plans for the future

The Trustees plan to continue growing the Association's education provision through an increased emphasis on online education and co operating with appropriate local partners to support this development. Furthermore, the Association has expanded its education provision through the introduction of a new Level 2 basic qualification in gemmology titled GemIntro, which the Trustees plan to make available in other languages for markets the Association currently serves. This is an online only qualification that will provide a broad introduction to the wonderful world of gems and gemmology. The Trustees also plan to increase Membership engagement and will be focusing on the developing and delivering strategic initiatives to address the needs of our members and build on existing Membership programmes. Going forward the trustees will continue to adhere to the Association's mission statement.

Structure, governance and management

a. Constitution

The Association is a company limited by guarantee governed by its Memorandum and Articles of Association dated 15 August 1985 and amended to allow for Charity status on 11 October 2005 and further amended on 23 June 2016. It is registered as a charity with the Charity Commission.

The Members of Council and Trustees, who are also the directors for the purpose of company law were:

- Justine Carmody FGA (Chair)
- Christopher Smith FGA (resigned 01/03/2023)
- Joanna Hardy FGA
- Philip Sadler FCCA, FGA, DGA
- Pia Tonna
- Kate Flitcroft
- Marguerite Campbell Pedersen FGA
- Nevin Bayoumi-Stefanovic

b. Methods of appointment or election of Trustees

The management of the group and the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management (continued)

c. Recruitment and appointment

Trustees are appointed as set out in the Articles of Association; when considering co-opting trustees, the Board has regard to the requirement for any specialist skills needed.

None of the Members of Council and Trustees has any beneficial interest in the company. All of the Members of Council and Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

d. Organisation

The Association is administered by the Board of trustees - 'The Council' - which may have up to 10 members and 3 appointed members. The Board meets regularly and there are sub-committees and task groups covering specific governance or development issues that are constituted and which meet as required. A Chief Executive Officer is appointed by the Trustees to advance the Charitable Mission of the Association and to manage its day-to-day operations. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and the development of activities and services.

e. Induction and training

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity.

f. Related parties

The Association's wholly owned subsidiary, Gemmological Instruments Limited, provides books, equipment and sample gem materials, primarily to Members and students. Gemmological Instruments Limited may donate its profits to the Association.

Small companies exemption

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

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

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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Justine Carmody FGA
(Chair of Trustees)

Date: 23-Sep-24 | 16:50 BST

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2023

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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN****FOR THE YEAR ENDED 31 DECEMBER 2023**

Opinion

We have audited the financial statements of The Gemmological Association of Great Britain (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2023 and of the group's 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 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023****Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the not-for-profit and education sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HM Revenue and Customs and the Charity Commission.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Blick Rothenberg Audit LLP

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Marc Levy FCA (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

Date: 23-Sep-24 | 18:57 BST

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Income from:				
Charitable activities	4	2,188,659	2,188,659	1,995,600
Trading activities		989,535	989,535	992,149
Total income		3,178,194	3,178,194	2,987,749
Expenditure on:				
Raising funds	5	616,206	616,206	510,998
Charitable activities:	6			
Membership costs		387,579	387,579	337,729
Education costs		2,196,288	2,196,288	1,913,797
Total expenditure		3,200,073	3,200,073	2,762,524
Net (expenditure)/income before taxation		(21,879)	(21,879)	225,225
Taxation	12	(48,001)	(48,001)	(41,629)
Net movement in funds before other recognised gains		(69,880)	(69,880)	183,596
Other recognised gains:				
Gains on revaluation of fixed assets	8	-	-	34,000
Net movement in funds		(69,880)	(69,880)	217,596
Reconciliation of funds:	22			
Total funds brought forward as previously stated		2,688,587	2,688,587	2,470,991
Prior year adjustment		(26,351)	(26,351)	(26,351)
Total funds brought forward as restated		2,662,236	2,662,236	2,444,640
Net movement in funds		(69,880)	(69,880)	217,596
Total funds carried forward		2,592,356	2,592,356	2,662,236

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 21 to 50 form part of these financial statements.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Intangible assets	13	23,819	28,172
Tangible assets	14	3,730,874	3,662,348
Heritage assets	15	108,164	108,164
		<u>3,862,857</u>	<u>3,798,684</u>
Current assets			
Stocks	17	199,183	173,831
Debtors	18	188,177	185,683
Cash at bank and in hand	26	1,107,499	1,095,065
		<u>1,494,859</u>	<u>1,454,579</u>
Creditors: amounts falling due within one year	19	(1,274,904)	(1,015,454)
Net current assets		<u>219,955</u>	<u>439,125</u>
Total assets less current liabilities		<u>4,082,812</u>	<u>4,237,809</u>
Creditors: amounts falling due after more than one year	20	(1,490,456)	(1,575,573)
Net assets excluding pension asset		<u>2,592,356</u>	<u>2,662,236</u>
Total net assets		<u>2,592,356</u>	<u>2,662,236</u>
Charity funds			
Unrestricted funds	22	1,974,368	2,044,248
Revaluation reserve	22	617,988	617,988
Total funds		<u>2,592,356</u>	<u>2,662,236</u>

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:

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Justine Carmody FGA
(Chair of Trustees)

Date: 23-Sep-24 | 16:50 BST

The notes on pages 21 to 50 form part of these financial statements.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****CHARITY BALANCE SHEET****FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	As restated 2022 £
Fixed assets			
Intangible assets	13	21,107	24,104
Tangible assets	14	3,730,071	3,661,331
Heritage assets	15	108,164	108,164
Investments	16	210,000	210,000
		4,069,342	4,003,599
Current assets			
Stocks	17	39,373	49,446
Debtors	18	95,012	95,372
Cash at bank and in hand		204,953	335,225
		339,338	480,043
Creditors: amounts falling due within one year	19	(1,135,124)	(978,038)
Net current liabilities		(795,786)	(497,995)
Total assets less current liabilities		3,273,556	3,505,604
Creditors: amounts falling due after more than one year	20	(1,490,456)	(1,575,573)
Total net assets		1,783,100	1,930,031
Charity funds			
Unrestricted funds		1,165,112	1,312,043
Revaluation reserve		617,988	617,988
Total funds		1,783,100	1,930,031

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2023

The charity's net movement in funds for the year was £(146,931) (2022 - (£24,883)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:

8B52A568C88A475...
Justine Carmody FGA
(Chair of Trustees)

Date: 23-Sep-24 | 16:50 BST

The notes on pages 21 to 50 form part of these financial statements.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	As restated 2022 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	25	277,704	(32,946)
Cash flows from investing activities			
Purchase of intangible assets	13	(10,922)	(11,699)
Purchase of tangible fixed assets	14	(88,651)	-
Net cash used in investing activities		(99,573)	(11,699)
Cash flows from financing activities			
Repayments of borrowing	19	(31,621)	(62,798)
Interest paid		(134,076)	(80,939)
Net cash used in financing activities		(165,697)	(143,737)
Change in cash and cash equivalents in the year		12,434	(188,382)
Cash and cash equivalents at the beginning of the year		1,094,704	1,283,086
Cash and cash equivalents at the end of the year	26	1,107,138	1,094,704

The notes on pages 21 to 50 form part of these financial statements

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

The Gemmological Association of Great Britain is a private company limited by guarantee incorporated in England and Wales. The registered office is 16 Great Queen Street, London, WC2B 5AH and its principal place of business is at 21 Ely Place, London, EC1N 6TD. It is also a registered charity with charity number 1109555.

The group consists of The Gemmological Association of Great Britain and all of its subsidiaries.

In the event of the charity being wound up, the members' liability in respect of the guarantee is limited to £10 per member of the charity.

The financial statements are prepared in Sterling (£), which is the functional currency of the Association. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Gemmological Association of Great Britain meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Prior year adjustment

A prior period adjustment has been recognised to restate the Group and Parent Charity's comparative figures for the year ended 31 December 2022 and their brought forward unrestricted funds at 1 January 2022. An explanation of the adjustments together with their financial impact is set out in Note 21.

2.3 Going concern

After making enquiries, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income arising through providing educational courses and course materials as well as membership and subscription income is recognised on an accruals basis with amounts received in advance being shown in deferred income.

Other trading income consists of the sale of scientific instruments, journals and amounts receivable for goods and services, including licensing fees, provided in the normal course of business, net of discounts, VAT and other sales related taxes and is measured at the fair value of the consideration received or receivable. Other trading income is recognised at the point of sale.

Cash donations are recognised on receipt. Other donations are recognised once the Association has been notified of the donation, unless performance conditions require deferral of the amount.

2.5 Expenditure

All resources expended are recognised on an accruals basis.

Support costs are apportioned by analysing the level of administration time required for each charitable activity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly relate to charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between the expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6 and 7.

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 by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**2.6 Intangible assets and amortisation**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Website costs	-	33% reducing balance
Course development	-	straight-line over 3 years

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Freehold property is initially recognised at cost. After recognition, under the revaluation model, freehold property whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a charity may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the consolidated statement of financial activities, with a separate revaluation reserve being shown in the Statement of funds note.

At each reporting date the charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**2.7 Tangible fixed assets and depreciation (continued)**

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is not charged on freehold land and buildings as the charity has a policy of maintaining the property to a high standard and accordingly the property has a high residual value and an indefinite useful life. Any depreciation that would be required would be immaterial. An annual impairment review is conducted on the property and in the event that an impairment was identified, this would be recognised as an impairment loss in the income and expenditure account.

Depreciation is provided on the following bases:

Freehold land	- not depreciated
Fixtures and fittings	- 20% and 33% reducing balance

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of financial activities.

2.8 Heritage assets

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Where heritage assets have been donated, they have not capitalised due to unavailability of cost or valuation information, with such information not being obtainable at a cost commensurate with the benefit to the users of the accounts and to the charity.

2.9 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks represent gemstones, course notes, textbooks and scientific testing equipment. Stock is valued on an average cost basis and is stated at the lower of cost and estimated selling price less selling costs. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**2.12 Taxation**

The Association, a registered charity, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The Charity satisfies the tests set out in the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The trading subsidiary donates an amount equal to its annual taxable profit, if any, under Gift Aid to its parent company, The Gemmological Association of Great Britain. During the year ended 31 December 2023, £295,916 (2022: £255,214) was donated to The Gemmological Association of Great Britain, which relates to the profits earned in the year by the subsidiary.

The trading subsidiaries adopt the following policies in respect of tax. The tax expense for the year comprises current and deferred tax. Tax is recognised in the corresponding profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Financial instruments

The group has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

The group's policies for its major classes of financial assets and financial liabilities are set out below.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**Financial instruments (continued)****Financial assets**

Basic financial assets, including trade and other debtors, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the group would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**Financial instruments (continued)****Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.15 Pensions**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.16 Fund accounting

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

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**2.17 Foreign currencies**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.18 Basis of consolidation

The consolidated financial statements incorporate those of The Gemmological Association of Great Britain and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2023. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at average rate for the year. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the consolidated statement of financial activities for the period.

The accounts consolidate the results of the charity and its wholly owned subsidiaries, on a line by line basis. A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The charity has also taken advantage of the exemption afforded by section 1.12 of FRS102 in not preparing a separate statement of cash flow for The Gemmological Association of Great Britain as a separate entity.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates and assumptions:

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****3. Critical accounting estimates and areas of judgement (continued)****Valuation of the property**

Valuation of the property is reviewed annually by the trustees on an open basis market. In estimating the fair value, the trustees engage from time to time with a third party qualified valuer to perform the valuation. The valuers use an investment and comparable method of valuation, taking the rental values capitalised at a market capitalisation rate. There is an inevitable degree of judgement involved in that every property is unique and the value can only ultimately be reliably tested in the market itself. The key input into the valuation is the annual rent.

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from charitable activities	2,188,659	2,188,659	1,995,600
Total 2022	1,995,600	1,995,600	

	Membership income 2023 £	Education income 2023 £	Total funds 2023 £	Total funds 2022 £
Income from charitable activities	223,804	1,964,855	2,188,659	1,995,600
Total 2022	206,567	1,789,033	1,995,600	

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****5. Expenditure on raising funds**

	2023 £	2022 £
Direct costs	491,975	443,120
Bad debts	330	-
Travel	3,737	30
Printing, postage and stationery	199	199
Advertising	1,516	4,611
Other staff costs	130	458
Computer costs	3,400	7,500
Legal fees	64,157	62,839
Audit fees	11,500	11,500
Bank charges	10,792	5,746
Foreign exchange loss/(gain)	31,644	(28,041)
Sundry costs	(4,744)	748
Depreciation	214	254
Amortisation	1,356	2,034
	616,206	510,998

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****6. Expenditure on charitable activities**

The basis of allocation for expenditure is 15% to membership and 85% to education.

	Membership costs 2023 £	Education costs 2023 £	Total funds 2023 £	Total funds 2022 £
Direct costs				
Service provision	126,588	717,332	843,920	740,263
Bad debts	(150)	(850)	(1,000)	(7,699)
Travel	994	5,631	6,625	3,897
Printing, postage and stationery	3,568	20,220	23,788	16,101
Advertising	26,908	152,480	179,388	98,995
Repairs	4,352	24,663	29,015	37,425
Rates	1,835	10,401	12,236	13,276
Insurance	7,109	40,286	47,395	40,284
Cleaning	1,369	7,756	9,125	8,671
Telephone	2,225	12,611	14,836	6,374
Subscriptions	1,563	8,857	10,420	18,703
Light and heat	2,048	11,606	13,654	10,798
	<u>178,409</u>	<u>1,010,993</u>	<u>1,189,402</u>	<u>987,088</u>
Total 2022	<u>148,063</u>	<u>839,025</u>	<u>987,088</u>	

	Membership costs 2023 £	Education costs 2023 £	Total funds 2023 £	Total funds 2022 £
Support and governance costs				
Share of support costs (see note 7)	203,767	1,154,678	1,358,445	1,229,440
Share of governance costs (see note 7)	5,403	30,617	36,020	35,000
	<u>209,170</u>	<u>1,185,295</u>	<u>1,394,465</u>	<u>1,264,440</u>
Total 2022	<u>189,666</u>	<u>1,074,774</u>	<u>1,264,440</u>	

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****6. Expenditure (continued)**

Charitable expenditure by activity

	Membership costs 2023 £	Education costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable activities	178,409	1,010,993	1,189,402	987,088
Support and governance costs	209,170	1,185,295	1,394,465	1,264,440
	<u>387,579</u>	<u>2,196,288</u>	<u>2,583,867</u>	<u>2,251,528</u>
Total 2022	<u>337,729</u>	<u>1,913,799</u>	<u>2,251,528</u>	

7. Support and governance costs

	Support costs 2023 £	Governance costs 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	967,274	-	967,274	887,843
Depreciation and amortisation	33,830	-	33,830	35,762
Administration	223,265	-	223,265	224,896
Audit fees	-	30,070	30,070	35,000
Accountancy	-	5,950	5,950	-
Loan interest	134,076	-	134,076	80,939
	<u>1,358,445</u>	<u>36,020</u>	<u>1,394,465</u>	<u>1,264,440</u>
Total 2022	<u>1,229,440</u>	<u>35,000</u>	<u>1,264,440</u>	

8. Other gains and losses

	2023 £	2022 £
Gain on revaluation of freehold property	<u>-</u>	<u>34,000</u>

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****9. Auditor's remuneration**

	2023 £	2022 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	31,800	36,000
Fees payable to the charity's auditor in respect of: All non-audit services not included above	23,880	15,000

10. Staff costs

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Wages and salaries	832,086	761,447	832,086	761,447
Social security costs	93,044	87,908	93,044	87,908
Contribution to defined contribution pension schemes	42,144	38,488	42,144	38,488
	967,274	887,843	967,274	887,843

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

	Group 2023 No.	Group 2022 No.	Charity 2023 No.	Charity 2022 No.
Senior management	2	2	2	2
Lecturers and administration	10	10	10	10
General administration	6	6	6	6
	18	18	18	18

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****10. Staff costs (continued)**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	-	-
In the band £80,001 - £90,000	-	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	2	-

Remuneration and benefits received by key management personnel during the year amounted to £278,127 (2022: £239,930).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year, no Trustee expenses have been incurred (2022 - £NIL).

12. Taxation

	2023 £	2022 £
Corporation tax		
Foreign tax on income for the year	48,001	41,629

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 25% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Net (expenditure)/income before tax	(21,879)	225,225
Net income multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%).	(5,470)	42,793
Effects of:		
Exempt charitable activities	5,470	(42,793)
Higher rate taxes on overseas earnings	48,001	41,629
Total tax charge for the year	48,001	41,629

The company is not expected to be impacted by the Pillar 2 rules.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****13. Intangible assets****Group**

	Course development £	Company website £	Goodwill £	Total £
Cost				
At 1 January 2023	94,450	21,056	69,173	184,679
Additions	10,922	-	-	10,922
At 31 December 2023	105,372	21,056	69,173	195,601
Amortisation				
At 1 January 2023	70,346	16,989	69,172	156,507
Charge for the year	13,919	1,356	-	15,275
At 31 December 2023	84,265	18,345	69,172	171,782
Net book value				
At 31 December 2023	21,107	2,711	1	23,819
At 31 December 2022	24,104	4,067	1	28,172

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****13. Intangible assets (continued)****Charity****Course
development
£****Cost**

At 1 January 2023

94,450

Additions

10,922

At 31 December 2023

105,372**Amortisation**

At 1 January 2023

70,346

Charge for the year

13,919

At 31 December 2023

84,265**Net book value**

At 31 December 2023

21,107

At 31 December 2022

24,104

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****14. Tangible fixed assets****Group**

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 January 2023 (as restated)	3,600,000	403,176	4,003,176
Additions	-	88,651	88,651
At 31 December 2023	3,600,000	491,827	4,091,827
Depreciation			
At 1 January 2023	-	340,828	340,828
Charge for the year	-	20,125	20,125
At 31 December 2023	-	360,953	360,953
Net book value			
At 31 December 2023	3,600,000	130,874	3,730,874
At 31 December 2022 (as restated)	3,600,000	62,348	3,662,348

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****14. Tangible fixed assets (continued)****Charity**

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 January 2023 (as restated)	3,600,000	363,869	3,963,869
Additions	-	88,651	88,651
At 31 December 2023	3,600,000	452,520	4,052,520
Depreciation			
At 1 January 2023	-	302,538	302,538
Charge for the year	-	19,911	19,911
At 31 December 2023	-	322,449	322,449
Net book value			
At 31 December 2023	3,600,000	130,071	3,730,071
At 31 December 2022 (as restated)	3,600,000	61,331	3,661,331

The freehold property was valued on 10 July 2023 by James Berlin & Associates, an independent and RICS qualified valuer, using market based evidence for similar properties sold in the area.

The group has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Freehold property	2,982,012	2,982,012	2,982,012	2,982,012

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Heritage assets

Group and Charity

Assets recognised at cost

	Exam- ination and teaching collections 2023 £	Total 2023 £
Carrying value at 1 January 2023 (as restated)	108,164	108,164
Carrying value at 31 December 2023	108,164	108,164

The Charity owns a library of books and a collection of gems which meet the definition of heritage assets. This collection is made up of both purchased and donated assets. The Trustees are of the opinion that there would be no benefit to the Charity in incurring costs to value the donated collections. These heritage assets have therefore not been recognised in the accounts. We have not presented a five year summary of transactions as there has been no transactions.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****16. Fixed asset investments**

	Investments in subsidiary companies £
Charity	
Cost	
At 1 January 2023	210,000
At 31 December 2023	210,000
Net book value	
At 31 December 2023	210,000
At 31 December 2022	210,000

Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Registered office or principal place of business	Class of shares	Holding	Included in consolidation
Gemmological Instruments Limited	England and Wales	Ordinary	100%	Yes
Gemmological Consulting (Beijing) Co. Limited	China	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets/ (liabilities) £
Gemmological Instruments Limited	883,685	(433,258)	450,427	1,246,747
Gemmological Consulting (Beijing) Co. Limited	693,645	(771,105)	(77,460)	(227,491)

The Association's wholly owned subsidiary, Gemmological Instruments Limited (company number 00838324) provides books, equipment and sample gem materials primarily to members and students. The subsidiary also received licensing income from its Chinese subsidiary for the use of its study materials.

Gemmological Consulting (Beijing) Co. Ltd (company number 91110105MA018TQL81) is a wholly owned subsidiary of Gemmological Instruments Limited and provides educational courses and study materials in China.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****17. Stocks**

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Gemstones, course notes, textbooks and scientific testing equipment	199,183	173,831	39,373	49,446

18. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Due within one year				
Trade debtors	108,507	96,915	37,189	24,266
Other debtors	21,681	17,266	1,437	1,356
Prepayments and accrued income	57,989	71,502	56,386	69,750
	188,177	185,683	95,012	95,372

19. Creditors: Amounts falling due within one year

	Group 2023 £	Group As restated 2022 £	Charity 2023 £	Charity As restated 2022 £
Bank overdrafts	361	361	361	361
Bank loans	191,599	138,103	191,599	138,103
Trade creditors	111,314	43,351	93,199	43,890
Amounts owed to group undertakings	-	-	142,705	162,575
Corporation tax	26,351	26,351	-	-
Other taxation and social security	32,361	28,882	27,917	23,905
Other creditors	48,330	12,841	6,855	7,465
Accruals and deferred income	864,588	765,565	672,488	601,739
	1,274,904	1,015,454	1,135,124	978,038

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Creditors: Amounts falling due within one year (continued)

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Deferred income brought forward	524,742	510,678	524,742	510,678
Resources deferred during the year	780,053	524,742	601,953	524,742
Amounts released from previous periods	(524,742)	(510,678)	(524,742)	(510,678)
	780,053	524,742	601,953	524,742

Deferred income comprises advance payments for membership subscriptions and exams due in the next financial year.

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

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans	1,490,456	1,575,573	1,490,456	1,575,573

Included within the above are amounts falling due as follows:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Between one and two years				
Bank loans	191,599	138,104	191,599	138,104
Between two and five years				
Bank loans	574,798	414,310	574,798	414,310
Over five years				
Bank loans	724,059	1,023,159	724,059	1,023,159

The bank loan is repayable by 2038 and is secured by way of a fixed charge over the freehold property at 21 Ely Place, London, EC1N 6TD. Interest is fixed at 3.25% above the Bank of England base rate.

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

21. Prior year adjustments

A prior period adjustment has been recognised to reclassify £109,164 of examination and teaching collections to heritage assets (note 15), from tangible fixed assets as stated previously (note 14), as these assets meet the definition of heritage assets and should have been classified accordingly. This is a reclassification within fixed assets and has no impact on the financial position of the charity as at 31 December 2022 or its statement of financial activities for the year then ended.

In the consolidated statement of cash flows interest paid of £80,939 during the year ended 31 December 2022 has been reclassified as a financing cash flow rather than an operating cash flow as reported previously. This has no impact on the net movement in cash for the year.

In addition, the directors of the subsidiary have identified an error in the previous financial statements of the subsidiary, Gemmological Instruments Limited, whereby VAT and foreign exchange differences previously classified as other Chinese taxes of £165,005 arising on royalty income from the company's Chinese subsidiary during the period from 1 January 2018 to 31 December 2022 should have been reported in cost of sales, rather than as foreign withholding tax. The adjustment for the year ended 31 December 2022 was to reclassify £26,787 from taxation to cost of sales.

The subsidiary, Gemmological Instruments Limited, has a covenant in place to pay its taxable profits to its parent. Accordingly, after amending the tax computations for the reclassification of VAT and foreign exchange on other Chinese taxes to cost of sales, additional covenant payments of £493,728 should have been reflected in the financial statement of the subsidiary during the period from 1 January 2018 to 31 December 2022, with a corresponding reduction in the amount due from the parent company and a potential corporation tax provision of £26,351 for the year ended 31 December 2018.

Prior period adjustments have therefore been recognised in order to correct the position in the consolidated financial statements and the charity's financial statements, as detailed below:

Changes to the consolidated balance sheet:

	At 31 December 2022		
	As previously reported	Adjustment	As restated
	£	£	£
Creditors: Amounts falling due within one year			
Corporation tax	-	26,351	26,351

Changes to the charity's balance sheet:

	At 31 December 2022		
	As previously reported	Adjustment	As restated
	£	£	£
Creditors: Amounts falling due within one year			
Amounts owed to group undertakings	656,303	(493,728)	162,575

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****21. Prior year adjustments (continued)****Reconciliation of the consolidated funds:**

	1 January 2022	31 December 2022
	£	£
Funds as previously reported	2,470,991	2,688,587
Adjustments to prior year:		
Adjustment for tax	<u>(26,351)</u>	<u>(26,351)</u>
Funds as restated	<u><u>2,444,640</u></u>	<u><u>2,662,236</u></u>

Reconciliation of the charity's funds:

	1 January 2022	31 December 2022
	£	£
Funds as previously reported	1,436,303	1,575,676
Adjustments to prior year:		
Increase in covenant from subsidiary	<u>493,728</u>	<u>379,238</u>
Funds as restated	<u><u>1,930,031</u></u>	<u><u>1,954,914</u></u>

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****21. Prior year adjustments (continued)****Reconciliation of changes in the consolidated net movement in funds for the previous financial period:**

	2022
	£
Net movement in funds as previously reported	217,596
Adjustments to prior year:	
Less: VAT and foreign exchange on Chinese taxes	(26,787)
Plus: Adjustment to foreign withholding tax	<u>26,787</u>
Net movement in funds	<u><u>217,596</u></u>

Reconciliation of changes in the charity's net movement in funds for the previous financial period:

	2022
	£
Net movement in funds as previously reported	(139,373)
Adjustments to prior years:	
Increase in covenant from subsidiary	<u>114,490</u>
Net movement in funds	<u><u>(24,883)</u></u>

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****22. Statement of funds****Statement of funds - current year**

	As restated Balance at 1 January 2023 £	Income £	Expenditure £	Taxation £	Balance at 31 December 2023 £
Group funds					
Unrestricted funds	2,044,248	3,178,194	(3,200,073)	(48,001)	1,974,368
Revaluation reserve	617,988	-	-	-	617,988
	<u>2,662,236</u>	<u>3,178,194</u>	<u>(3,200,073)</u>	<u>(48,001)</u>	<u>2,592,356</u>

Statement of funds - prior year

	As restated Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	As restated Balance at 31 December 2022 £
Group funds						
Unrestricted funds	1,860,652	2,987,749	(2,735,737)	(68,416)	-	2,044,248
Revaluation reserve	583,988	-	-	-	34,000	617,988
	<u>2,444,640</u>	<u>2,987,749</u>	<u>(2,735,737)</u>	<u>(68,416)</u>	<u>34,000</u>	<u>2,662,236</u>

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****23. Summary of funds****Summary of funds - current year**

	As restated Balance at 1 January 2023 £	Income £	Expenditure £	Taxation £	Balance at 31 December 2023 £
General funds	2,662,236	3,178,194	(3,200,073)	(48,001)	2,592,356

Summary of funds - prior year

	As restated Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	As restated Balance at 31 December 2022 £
General funds	2,444,640	2,987,749	(2,735,737)	(68,416)	34,000	2,662,236

24. Analysis of net assets between funds**Analysis of net assets between funds - current year**

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	3,730,874	3,730,874
Intangible fixed assets	23,819	23,819
Heritage assets	108,164	108,164
Current assets	1,494,859	1,494,859
Creditors due within one year	(1,274,904)	(1,274,904)
Creditors due in more than one year	(1,490,456)	(1,490,456)
Total	2,592,356	2,592,356

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds (as restated) 2022 £	As restated Total funds (as restated) 2022 £
Tangible fixed assets	3,662,348	3,662,348
Intangible fixed assets	28,172	28,172
Heritage assets	108,164	108,164
Current assets	1,454,579	1,454,579
Creditors due within one year	(1,015,454)	(1,015,454)
Creditors due in more than one year	(1,575,573)	(1,575,573)
Total As restated	2,662,236	2,662,236

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

	Group 2023 £	Group As restated 2022 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(69,880)	183,596
Adjustments for:		
Depreciation charges	20,125	27,120
Amortisation charges	15,275	10,928
Increase in stocks	(25,352)	(12,708)
Increase in debtors	(2,494)	(65,925)
Increase/(decrease) in creditors	205,954	(256,896)
Interest paid	134,076	80,939
Net cash provided by/(used in) operating activities	277,704	(32,946)

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****26. Analysis of cash and cash equivalents**

	Group 2023 £	Group 2022 £
Cash in hand	1,107,499	1,095,065
Overdraft facility repayable on demand	(361)	(361)
Total cash and cash equivalents	1,107,138	1,094,704

27. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	Other non- cash changes £	At 31 December 2023 £
Cash at bank and in hand	1,095,065	12,434	-	1,107,499
Bank overdrafts repayable on demand	(361)	-	-	(361)
Debt due within 1 year	(138,103)	31,621	(85,117)	(191,599)
Debt due after 1 year	(1,575,573)	-	85,117	(1,490,456)
	(618,972)	44,055	-	(574,917)

28. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £42,144 (2022: £38,488). Contributions totalling £6,313 (2022: £5,758) were payable to the fund at the balance sheet date and are included in other creditors.

29. Operating lease commitments

At 31 December 2023 the group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £
Not later than 1 year	10,087	10,645
Later than 1 year and not later than 5 years	21,836	1,759
	31,923	12,404

THE GEMMOLOGICAL ASSOCIATION OF GREAT BRITAIN

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

30. Related party transactions

During the year the charity charged management fees of £60,150 (2022: £59,473) to Gemmological Instruments Limited. The charity also made purchases of £107,789 (2022: £117,644) from Gemmological Instruments Limited. At the year end £142,705 (2022: £162,575) was owed by the charity to Gemmological Instruments Limited.

During the year, Gemmological Instruments Limited made a donation under a deed of covenant to the charity of £295,916 (2022- as restated: £255,214).