

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

England & Wales · Charity number 313439

Details

Status Registered

Legal form Other

Company number [08945140](#)

Registered 1971-04-19

Register [View on the Charity Commission register](#)

Contact

Address 86 Wood Lane
Quorn
Loughborough
LE12 8DB

Phone 01509410859

Email finance@gftu.org.uk

Website www.gftuet.org.uk

Activities

Objects: THE ADVANCEMENT OF EDUCATION IN ALL OR SOME, ONE OR MORE AS THE TRUSTEES SHALL THINK FIT OF THE FOLLOWING SUBJECTS NAMELY ECONOMIC HISTORY AND THEORY, INDUSTRIAL LAW AND THE HISTORY AND PRINCIPLES OF INDUSTRIAL RELATIONS.

Activities: The principle object of the Trust is to provide educational courses and seminars for the individual members of the trade unions who are affiliated to the General Federation of Trade Unions, and undertake research work for the affiliated trade unions. It also produces publications and carries out project work in support of these activities and for the wider benefit of the community.

Classification

- **How:** Makes Grants To Individuals, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£409,214	£504,626	-	-
2023-12-31	£325,268	£576,169	-	-
2022-12-31	£2,027,442	£1,977,702	£868,855	54
2021-12-31	£1,722,189	£1,604,504	£769,615	48
2020-12-31	£1,479,364	£1,471,826	£628,362	11

Trustees

Name	Role	Appointed
Sarah Jane Woolley	Chair	2021-05-18
Angela Pratten		2013-09-05
Ben Chacko		2024-11-11
Dr ALICE MARJORIE SHEILA PROCHASKA		2017-05-01
Gawain Robert Little		2023-05-31
Gillian Westerman CBE		2018-05-01
MARGARET BENNETT		2021-07-01
Michael Sanders		2015-05-01
Nadine Rae		2015-05-01
Roger Mckenzie		2024-11-15
STEPHEN ORCHARD		2013-09-05

Accounts

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report and financial statements

for the year ended 31 December 2024

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Contents

	Page
Reference and administrative details of the Trust, its Trustees and advisers	1
Trustees' report	2 - 7
Independent auditors' report on the financial statements	8 - 11
Consolidated statement of financial activities	12
Consolidated balance sheet	13
Trust balance sheet	14
Consolidated statement of cash flows	15
Notes to the financial statements	16 - 32

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Reference and administrative details of the Trust, its Trustees and advisers for the year ended 31 December 2024

Trustees	S Woolley, Chair G Little S Parkinson E Nicholson N Rae A Pratten S Orchard R McKenzie (appointed 15 November 2024) B Chacko (appointed 11 November 2024) J Westerman CBE A Prochaska M Sanders M Bennett
Company registered number	313439
Registered office	86 Wood Lane Quorn Leicestershire LE12 8DB
Company secretary	G Little
Independent auditors	PKF Smith Cooper Audit Limited Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report for the year ended 31 December 2024

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2024.

Objectives and activities

a. Policies and objectives

The principal objective of the Trust is to provide educational courses and seminars for the individual members of the trade unions that are affiliated trade unions. It also produces publications and carries out project work in support of these activities and for the wider benefit of the community.

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)'.

Strategic report

Achievements and performance

a. Main achievements of the Trust and review of activities

Core Education Programme Reach

The past year has been a period of significant growth for the GFTU Educational Trust. In July 2023, we launched our 2023/24 education programme of 38 courses. This recruited 537 students during 2023. In July 2024, we launched our 2024/25 education programme of 70 courses. In 2024, across both programmes, we recruited 1,657 students, more than tripling the reach of the Educational Trust. This also represents a significant increase in average students per course from 14.1 to 23.7, meaning greater reach for individual courses and greater efficiency across the work of the Educational Trust.

	No of courses launched		No of students registered		Average students per course	
2023	38		537		14.1	
2024	70	+84%	1657	+209%	23.7	+68%

Core Education Programme Impact

14% of students left feedback in 2024. Of these 67% strongly agreed that the objectives of the course were met. 100% agreed or strongly agreed that the objectives of the course were met. In addition, the following impact was reported by students.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2024

Strategic report (continued)

Achievements and performance (continued)

% of students reporting growth in the following areas:	
Ability to build sustainable change in organisations and workplaces, including workplaces free from discrimination, bullying and harassment	64%
Knowledge and awareness to build positive change in my unions and/or workplaces	84%
My confidence and leadership skills to take part in trade union/ workplace activities	70%
My knowledge and awareness of education opportunities and learning and employment pathways available to me and I feel supported to access them	66%
Opportunity to have an effective voice	74%
Opportunity to have fair work and to support development of fair employment for others, including affecting improved pay and conditions	60%
Opportunity to build strong networks of support through networking or peer mentoring	64%
% students reporting development in the following skills:	
Communication skills	62%
Employment law and practice	53%
Equality and diversity	59%
Leadership skills	43%
Organise my union group at work	56%

Knowledge Transfer Partnership

We are delighted to say that as part of our development strategy for the educational programme 2023-2024, we have been able to secure a knowledge transfer partnership with SOAS, the School of Oriental and African Studies (University of London). This means we will be developing in depth political economy courses. Working closely with the expertise of the economics department of SOAS, we will welcome a new Associate in 2025 to help us expand our capacity for delivering political economy training, including delivery of an international online lecture series with SOAS (University of London), The New School for Social Research (New York) and the Centre for Heterodox Economics (University of Tulsa). Through this collaboration, we will produce political economy courses and resources for the whole trade union and labour movement.

Education Support and Consultancy

In addition to our core programme, we have offered bespoke courses, consultancy or other educational support to a range of unions, including NAHT, BMA, TSSA, FBU, Equity, BFAWU, Aegis, Napo, RCM, BDA, HCSA and UKPHD.

Research Partnerships

Throughout 2024, we have also stepped up our research involvement and are starting to collaborate on a number of projects, as well as the research being conducted internally as part of the KTP project, which will focus in the first instance on the implications of the gig economy for trade union organisation, wages and conditions. We are party to a successful project with the University of Liverpool to secure funding to establish a Centre for People's Justice, built around the School of Law and Social Justice at the University. Now the funding has been received, we look forward to playing a role in shaping the new centre and involving affiliates in this work. We are supporting a project with King's College London entitled AI regulation from below: UK-US collaborative research on the uses and responses to AI technologies by workers and trade/labor unionists. This will involve collaboration between academics and activists in Britain and the US on the impact of AI on jobs and worker responses to this. We are also extending a previous project with University of Wolverhampton on the impact and legacy of the closure of the coal industry. A small pot of money will be used for dissemination of project findings on deindustrialisation through GFTU education courses and potentially newsletters/publications. This is very relevant in the current context and allows us to link with current work we are doing on

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2024

Strategic report (continued)

Achievements and performance (continued)

deindustrialisation, politics and culture.

Friends of the GFTU Educational Trust

Our Friends of the GFTU Educational Trust initiative is a cornerstone of our funding and engagement strategy. Launched with a Parliamentary reception in March 2024, it gives supporters and opportunity to directly contribute to the work of the Educational Trust and build a close relationship with us. By becoming a Friend, members can support the future of trade union education and choose their level of involvement.

Financial review

a. Financial review

The results of the year are set out in the consolidated Statement of Financial Activities on page 11 and show a surplus of £54,479 (2023: £380,126 deficit). The group had net assets of £543,208 (2023: £488,729) as shown on the Balance Sheet on page 12, represented by a restricted fund surplus of £1,505,794 (2023: £1,351,379) and an unrestricted fund deficit of £962,586 (2023: £862,650).

The trust continues to be, in part, financially supported by the Federation, which maintains adequate resources to fund the Trust's operations through the payment of a management charge. The Federation has assured the Trustees that it expects to maintain these payments to the Trust at a sufficient level to enable the Trust to continue its current activities.

In 2024 the General Federation of Trade Unions had a deficit of £303,288 (2023: £1,573,408) and showed a deficit before the payment of management charges to the Trust of £193,288 (2023: £1,373,408).

However, the trustees acknowledge this is not a sustainable position and are committed to reducing the requirement for this level of management charge by covering more of its own costs. It proposes to do this by:

- Ensuring the trading company starts to make surpluses again;
- Implementing its fundraising strategy to generate funds for its training activities; and
- Increasing earned income from accounting and other services.

The Trust's trading subsidiary was set up in 2012 to run the Quorn Grange Hotel. As well as paying rent to the Trust, the hotel contributes any surpluses to the Trust and crucially provides the Trust with subsidised training rooms and free or low-cost residential accommodation for delegates on our courses. This is a key part of our strategy to ensure our training is affordable to everyone.

Unfortunately, Quorn Grange Hotel, alongside the whole hotel industry, was hit very badly by the Pandemic and since 2020 it has been making deficits. The Trustees together with the directors of the trading company and the members of the GFTU, have carried out an in-depth review of the investment in the trading company. Together they believe that the investment in the trading subsidiary remains of value to the Group. The hotel is forecasting a small surplus in 2025 which is planned to increase in future years. Furthermore, the hotel continues to provide valuable, subsidised accommodation for the Trust (this year saving the trust over £100,000 in external bookings).

Trustees continue to monitor the hotel's financial position closely and will take remedial action immediately, if needed.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2024

b. Reserves policy

The Trust has two funds, the General Reserve Fund, which the Trustees are free to use in accordance with the charitable objectives set out in the Trust Deed and the Restricted Reserve fund, which can only be used to fund the specific projects undertaken by the Trust. There is no governing requirement to hold a specific level of General Reserves, due to the financial support of the Trust by the General Federation of Trade Unions. At present the General Reserve stands at £962,586 deficit (2023: £862,650). The Trust's policy is to achieve positive general reserves over the medium term.

c. Going concern

As described in Note 1.2 to the Financial Statements, each year the Trustees assess whether the use of going concern is appropriate. The Trust has made a consolidated loss in the year to 31 December 2024, prior to any contributions from the General Federation of Trade Unions, and is forecast to report a consolidated loss in the year to 31 December 2025. As at 31 December 2024, the Trust owed £4,847k to its related undertaking the General Federation of Trade Unions (GFTU). No specific terms and conditions are attached regarding repayment or interest in respect of balances due, but the GFTU has agreed not to seek repayment of the amounts for a minimum of 12 months from the date of approval of the financial statements.

Furthermore, the Trust continues to receive operational and financial support from the GFTU, which it has done for many years, and the members of the GFTU have confirmed that this will continue to be the case. However, the GFTU cannot continue to fund the Trust indefinitely, and the extent of any support will, in part, be dependent on the performance of the GFTU Trading Company and the ability of the Trust to secure further independent funding.

The GFTUET Trading Company has made operating losses in the year 31 December 2024 and is forecast to make a small profit in 31 December 2025. Furthermore, the Trust was owed £873k by the GFTUET Trading Company at the 31 December 2024 and the debt will not be settled in full or in part in the foreseeable future. No provision has been made against debts due, as it is the opinion of the Trustees, that the GFTUET Trading Company will be in position to repay the debt in due course. This opinion is based on information provided by the Trading Company, which forecasts a return to profitability in the year ended 31 December 2025, following a review of the Company's operations and remedial action being taken. In the absence of other funding, which the Trust is endeavouring obtain, the Trust is dependent upon the continued support of the GFTU to meet its' liabilities as they fall due.

The Trustees are satisfied that following a review of cashflow forecasts there will be sufficient funds available for the Trust to continue as going concern for a minimum of 12 months from the date of approval of the financial statements.

d. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the financing of the Trust and its dependence on payments from the Federation. The Trustees are satisfied that all possible steps have been taken to mitigate those risks. The risks and opportunities facing the trust in this sector have been under constant review.

Structure, governance and management

a. Constitution

The Trust, an unincorporated organisation, charity number 313439, is a recognised charity, operated under the rules of its Trust Deed dated 29 October 1970. The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed (as amended). The General Federation of Trade Unions has the power to appoint the Trustees, subject to there not being a majority of Trustees who are also officers, employees or Trustees of the Federation. The Trustees have reviewed the application and relevance of the Trust deed and made no amendments. Developments in legislation and guidance from the Charity Commissioners have been considered.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2024

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The Trust Deed provides that the General Federation of Trade Unions may appoint trustees, subject to there being a majority of independent trustees. Should a vacancy for an independent trustee occur, the Trustees seek nominations for the individuals having regard to any specific skills needed.

c. Organisational structure and decision-making policies

The board of trustees meet regularly to discuss the development of the Trust along with finance and issues relevant to the running of the Trust. The day to day operations of the charity are managed by the Secretary who has delegated authority, within the terms of delegation approved by the trustees, for all operational matters.

d. Policies adopted for the induction and training of Trustees

New trustees are fully briefed by the Secretary with regard to their legal obligations under the charities legislation, the content of the Trust Deed, the decision making processes and recent financial performance. Trustees are encouraged to attend appropriate external training events where they will facilitate the undertaking of their role.

e. Related party relationships

The Trust continues to maintain its close relationship with the General Federation of Trade Unions whose principal activity is to provide services to members of affiliated trade unions. The Federation has confirmed its continuing support in order that the Trust can carry out its charitable objectives.

f. Financial risk management

The Trustees have assessed the major risks to which the Group and the Trust are exposed, in particular those related to the operations and finances of the Group and the Trust, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2024

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments 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.

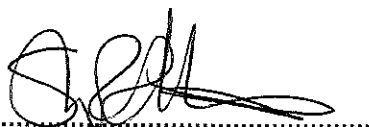
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

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



S Woolley
Chair of Trustees

Date: 8-5-25

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust

Opinion

We have audited the financial statements of General Federation of Trade Unions Educational Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Trust 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 charity's affairs as at 31 December 2024 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 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 Auditors' 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.

Emphasis of matter

We draw your attention to note 1.2 which describes events or conditions which cast doubt on the ability of the Trust to obtain repayment of amounts due from its subsidiary undertaking of £873k, which impacts the Trust's Statement of Financial Position but not on a Consolidated basis. No provision has been made against amounts due, albeit there is no likely repayment, in full or substantially in part, for a least one year from the date of approval of the financial statements.

Furthermore, we draw your attention to note 25 which describes a significant adjusting post balance sheet event due to the impairment of the Trust's most significant asset and the resultant debt foregone by the General Federations of Trade Unions.

Our opinion is not modified in respect of these matters.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that there are conditions identified that may cast significant doubt on the Trust's ability to continue as a going concern. The Trust has net current liabilities and has reported a consolidated loss in the year to 31 December 2024, prior to any contributions from the General Federation of Trade Union, and it forecasts to do so in the year ended 31 December 2025. The Trust is reliant on the support of the General Federation of Trade Unions to meet its liabilities as they fall due. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Trusts ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

Based on our understanding of the charity and industry, we identify the key laws and regulations affecting the charity. We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions.

We focussed on those areas that could give rise to a material misstatement in the charity's financial statements. Our procedures included, but were not limited to:

- enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular the assumptions used in relation to the defined benefit pension scheme, investment property valuations and impairment of tangible fixed assets.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Use of our report

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

PKF Smith Cooper Audit Limited

PKF Smith Cooper Audit Limited

Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Date: 9 May 2025

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Consolidated Statement of financial activities (incorporating income and expenditure account) for the year ended 31 December 2024

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Income received from GFTU		-	110,000	110,000	200,000
Donations		-	-	-	216
Trading activities:					
Hotel		1,353,052	-	1,353,052	1,583,273
Hotel - exceptional other operating income		300,000	-	300,000	-
Investment income		56	-	56	262
Other income	3	-	258,054	258,054	124,790
Total income		1,653,108	368,054	2,021,162	1,908,541
Expenditure on:					
Trading activities:					
Hotel		1,470,693	-	1,470,693	1,609,498
Day Nursery		28,000	-	28,000	-
Charitable activities:					
Education Trust expenditure	4	-	669,011	669,011	576,169
Impairment of tangible fixed assets (note 23)		-	-	-	1,400,000
Amounts due to GFTU foregone (note 23)		-	(201,021)	(201,021)	(1,400,000)
Total expenditure		1,498,693	467,990	1,966,683	2,185,667
Net income/(expenditure) before net losses on investments		154,415	(99,936)	54,479	(277,126)
(Loss) on revaluation of investment property		-	-	-	(65,000)
Net income/(expenditure) before taxation		154,415	(99,936)	54,479	(342,126)
Taxation		-	-	-	(38,000)
Net movement in funds		154,415	(99,936)	54,479	(380,126)
Reconciliation of funds:					
Total funds brought forward		1,351,379	(862,650)	488,729	868,855
Net movement in funds		154,415	(99,936)	54,479	(380,126)
Total funds carried forward		1,505,794	(962,586)	543,208	488,729

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

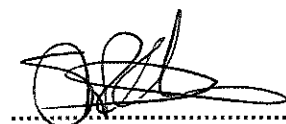
GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST
Registered number: 313439

**Consolidated balance sheet
as at 31 December 2024**

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	3,055,785	3,188,830
Investment property	11	2,345,000	2,345,000
		<u>5,400,785</u>	<u>5,533,830</u>
Current assets			
Stocks		12,431	9,154
Debtors	13	410,886	104,458
Cash at bank and in hand		15,666	72,823
		<u>438,983</u>	<u>186,435</u>
Creditors: amounts falling due within one year	14	(5,296,560)	(5,231,536)
Net current liabilities		<u>(4,857,577)</u>	<u>(5,045,101)</u>
Total assets less current liabilities		<u>543,208</u>	<u>488,729</u>
Total net assets		<u><u>543,208</u></u>	<u><u>488,729</u></u>
Charity funds			
Restricted funds	15	1,505,794	1,351,379
Unrestricted funds	15	(962,586)	(862,650)
Total funds		<u><u>543,208</u></u>	<u><u>488,729</u></u>

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



S Woolley
Chair of Trustees

Date: 8-5-2025

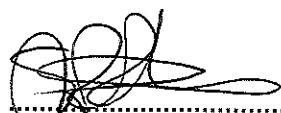
GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST
Registered number: 313439

**Trust balance sheet
as at 31 December 2024**

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	2,905,165	2,986,236
Investments	12	2	2
Investment property	11	2,345,000	2,345,000
		<u>5,250,167</u>	<u>5,331,238</u>
Current assets			
Debtors	13	884,541	894,500
Cash at bank and in hand		4,048	9,708
		<u>888,589</u>	<u>904,208</u>
Creditors: amounts falling due within one year	14	(4,882,379)	(4,883,657)
Net current liabilities		<u>(3,993,790)</u>	<u>(3,979,449)</u>
Total assets less current liabilities		<u>1,256,377</u>	<u>1,351,789</u>
Total net assets		<u><u>1,256,377</u></u>	<u><u>1,351,789</u></u>
Charity funds			
Restricted funds	15	2,052,351	2,052,351
Unrestricted funds	15	(795,974)	(700,562)
Total funds		<u><u>1,256,377</u></u>	<u><u>1,351,789</u></u>

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



S Woolley

Chair of Trustees

Date: 8-5-2025

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Consolidated statement of cash flows for the year ended 31 December 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	(167,660)	(191,677)
Cash flows from investing activities		
Rents from investment property	115,267	103,647
Purchase of tangible fixed assets	(4,764)	(17,555)
Net cash provided by investing activities	110,503	86,092
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(57,157)	(105,585)
Cash and cash equivalents at the beginning of the year	72,823	178,408
Cash and cash equivalents at the end of the year	15,666	72,823

The notes on pages 16 to 32 form part of these financial statements

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

1. Accounting policies

1.1 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), the Charities Act 2011 and applicable regulations.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Trust and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. No separate statement of financial activities is presented for the parent undertaking in accordance with UK GAAP.

The financial statements are presented in sterling which is the functional currency of the Group and are rounded to the nearest £1.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern for a period of at least one year from the date of approval of the financial statements.

The Trust has made a consolidated loss in the year to 31 December 2024, prior to any contributions from the General Federation of Trade Unions and is forecast to report a consolidated loss in the year to 31 December 2025. As at 31 December 2024, the Trust owed £4,847k to its related undertaking the General Federation of Trade Unions (GFTU). No specific terms and conditions are attached regarding repayment or interest in respect of balances due, but the GFTU has agreed not to seek repayment of the amounts for a minimum of 12 months from the date of approval of the financial statements.

Furthermore, the Trust continues to receive operational and financial support from the GFTU, which it has done for many years, and the members of the GFTU have confirmed that this will continue to be the case. However, the GFTU cannot continue to fund the Trust indefinitely, and the extent of any support will, in part, be dependent on the performance of the GFTUET Trading Company and the ability of the Trust to secure further independent funding.

The GFTUET Trading Company has made losses in the year 31 December 2024 and is forecast to make a small profit in 31 December 2025. Furthermore, the Trust was owed £873k by the GFTUET Trading Company at the 31 December 2024 and the debt will not be settled in full or in part in the foreseeable future.

No provision has been made against debts due, as it is the opinion of the Trustees, that the GFTUET Trading Company will be in position to repay the debt in due course. This opinion is based on information provided by the Trading Company, which forecasts a return to profitability in the year ended 31 December 2025, following a review of the Company's operations and remedial action being taken. In the absence of other funding, which the Trust is endeavouring to obtain, the Trust is dependent upon the continued support of the GFTU to meet its liabilities as they fall due.

Notwithstanding the above, the Trustees are satisfied that following a review of cashflow forecasts there will be sufficient funds available for the Trust to continue as going concern for a minimum of 12 months from the date of approval of the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Management charges is recognised in the year it is receivable.

Income from hotel trading activities represents fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue from the sale of food and drink is recognised at point of sale. Revenue from accommodation, events and room hire is recognised over the period to which the services relate.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. No expenditure is netted off incoming resources. All costs have been attributed to the functional categories of resources expended in the Statement of Financial Activities.

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

Governance costs comprise all costs involving the accountability of the Group and its compliance with regulation and good practice. These costs include costs relating to statutory audit and professional fees together with an apportionment of overheads and support costs.

Costs of hotel and training company trading activities comprise cost of sales, establishment, employment, administration, depreciation and financial costs of generating the income from hotel trading activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Trust but are presented separately due to their size or incidence.

1.6 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust 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.

Subsidiary undertakings are liable to Corporation and Capital Gains Tax.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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

Depreciation is provided on the following bases:

Land and buildings	- 2% straight line
Improvements to property	- 20% straight line
Fixtures, fittings and equipment	- 20% straight line or 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.

1.8 Investment property

Investment properties are initially measured at cost and subsequently remeasured to fair value at each reporting date. Changes in fair value are recognised in the SOFA.

1.9 Investments

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

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Financial Activities.

1.11 Debtors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

1.12 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.

1.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

1. Accounting policies (continued)

1.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

1.15 Pensions

Defined contribution scheme

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

Defined benefit scheme

Certain members of staff have joint contracts of employment with this entity and the General Federations of Trade Unions (GFTU) and have participated in the Defined Benefit Pension Scheme (DBPS) operated by the GFTU. However, the GFTU is the only admitted body to the DBPS and no financial commitments exist in respect of ongoing contributions to be made by the Trust to the scheme, these are solely the responsibility of the GFTU. Therefore, the actuarial impact of the DBPS is reflected in the financial statements of the GFTU only.

The pension costs of the staff who work for the Trust are charged to the income and expenditure account as they become payable.

1.16 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 Trust 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.

Tangible Fixed Assets

Management judgement is required in assessing the fair value of tangible fixed assets, including the future economic benefit expected to be generated by those assets. Specifically, the investment made in the purchase and refurbishment of the hotel, operated by the Trust's subsidiary undertaking. The assessment of the useful economic life and method of depreciating those assets also requires judgement.

Depreciation is charged to the SoFA based on the useful economic life selected of 50 years, which is the period over which the Trust expects to consume the economic benefits of the hotel. Depreciation is charged based on the difference between the cost and residual value of the asset.

At each balance sheet date, the trustees undertake an impairment review to ensure that the carrying value of the hotel is not in excess of residual value. The residual value of the asset is based on a professional third party valuation.

Investment Properties

The Trust carries its investment properties at fair value, with changes in fair value being recognised in the SoFA. The Trust engages a local independent estate agent to determine the fair value of the properties, due to the availability of comparable market data.

3. Other incoming resources

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
MEWS housing rent	115,267	115,267	103,647
Accounts services and commissions	91,777	91,777	5,225
Other income	51,010	51,010	15,918
	<u>258,054</u>	<u>258,054</u>	<u>124,790</u>
Total 2023	<u>124,790</u>	<u>124,790</u>	

In the Consolidated statement of financial activities, all other material income headings relate to one item and therefore no separate income note has been disclosed.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

4. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Total 2024 £	Total 2023 £
Education	467,990	467,990	576,169
<i>Total 2023</i>	576,169	576,169	

5. Analysis of expenditure by activities

	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Education	467,990	467,990	576,169
<i>Total 2023</i>	576,169	576,169	

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	406,040	341,109
Depreciation	85,835	67,546
Occupancy costs	37,737	14,700
Other costs	(68,822)	144,774
Governance costs	7,200	8,040
	467,990	576,169

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

6. Educational Trust statement of financial activities

	Restricted Funds 2024 £	Unrestricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income				
Income received from GFTU	-	110,000	110,000	200,000
Donation	-	-	-	216
Quorn Grange Hotel rent	-	26,000	26,000	54,000
MEWS housing rent	-	115,267	115,267	103,647
Other rent	-	6,925	6,925	8,152
Accounts services and commission	-	100,012	100,012	5,225
Other income	-	51,010	51,010	14,910
	<u>-</u>	<u>409,214</u>	<u>409,214</u>	<u>386,150</u>
Expenditure				
Staff costs	-	406,040	406,040	341,109
Depreciation	-	85,835	85,835	67,546
Occupancy costs	-	37,737	37,737	35,291
Other costs	-	166,541	166,541	177,867
Governance costs	-	9,494	9,494	8,040
Impairment of fixed assets	-	-	-	1,400,000
Amounts due to GFTU written off	-	(201,021)	(201,021)	(1,400,000)
	<u>-</u>	<u>504,626</u>	<u>504,626</u>	<u>629,853</u>
Net income before net gains on investments	-	(95,412)	(95,412)	(243,703)
Gain on revaluation of investment property	-	-	-	-
Net movement in funds	<u>-</u>	<u>(95,412)</u>	<u>(95,412)</u>	<u>(243,703)</u>
Reconciliation of funds:				
Total funds brought forward	2,052,351	(700,562)	1,351,789	1,595,492
Net movement in funds	-	(95,412)	(95,412)	(243,703)
Total funds carried forward	<u>2,052,351</u>	<u>(795,974)</u>	<u>1,256,377</u>	<u>1,351,789</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

7. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	<u>7,525</u>	<u>8,040</u>

8. Staff costs

	Group 2024 £	Group 2023 £	Trust 2024 £	Trust 2023 £
Wages and salaries	1,203,292	1,175,855	347,639	288,465
Social security costs	33,473	27,430	33,473	27,430
Pension costs	24,928	25,214	24,928	25,214
	<u>1,261,693</u>	<u>1,228,499</u>	<u>406,040</u>	<u>341,109</u>

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

	Group 2024 No.	Group 2023 No.	Trust 2024 No.	Trust 2023 No.
Research and Campaign	2	1	2	1
Administration	9	7	9	7
Education	2	2	2	-
Fundraising	1	2	1	-
Hotel Staff	42	46	-	-
	<u>56</u>	<u>58</u>	<u>14</u>	<u>8</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel remuneration during the year totalled £157,422 (2023: £165,032) for short-term employment benefits and £13,229 (2023: £18,016) for post-employment benefits.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

9. Trustees' remuneration and expenses

During the year, 1 Trustee received remuneration for services provided as an employee of the Charity.

No remuneration was paid in relation to their role as a Trustee.

During the year ended 31 December 2024, no Trustee expenses have been incurred (2023 - £2,380).

10. Tangible fixed assets

Group

	Land and buildings £	Property improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2024	4,318,120	399,428	693,538	5,411,086
Additions	-	-	4,764	4,764
Disposals	-	(117,086)	(90,945)	(208,031)
At 31 December 2024	4,318,120	282,342	607,357	5,207,819
Depreciation				
At 1 January 2024	1,488,416	297,656	436,184	2,222,256
Charge for the year	36,662	16,716	63,071	116,449
On disposals	-	(109,868)	(76,803)	(186,671)
At 31 December 2024	1,525,078	204,504	422,452	2,152,034
Net book value				
At 31 December 2024	2,793,042	77,838	184,905	3,055,785
At 1 January 2023	2,829,704	101,772	257,354	3,188,830

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2024**

10. Tangible fixed assets (continued)

Trust

	Freehold property £	Property improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2024	4,318,120	8,442	392,567	4,719,129
Additions	-	-	4,764	4,764
At 31 December 2024	<u>4,318,120</u>	<u>8,442</u>	<u>397,331</u>	<u>4,723,893</u>
Depreciation				
At 1 January 2024	1,488,416	5,466	239,011	1,732,893
Charge for the year	36,662	1,672	47,501	85,835
At 31 December 2024	<u>1,525,078</u>	<u>7,138</u>	<u>286,512</u>	<u>1,818,728</u>
Net book value				
At 31 December 2024	<u>2,793,042</u>	<u>1,304</u>	<u>110,819</u>	<u>2,905,165</u>
At 1 January 2023	<u>2,829,704</u>	<u>2,976</u>	<u>153,556</u>	<u>2,986,236</u>

11. Investment property

Group and Trust

	Freehold investment property £
Valuation	
At 1 January 2023	2,345,000
At 31 December 2024	<u>2,345,000</u>

The investment property was reviewed on a desk-top basis as at 31 December 2024 by Berkley Estates, based on market values for similar properties in the area.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

12. Fixed asset investments

Trust	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2024	2
At 31 December 2024	<u>2</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Trust:

Name	Company number	Principal activity	Class of shares	Holding
GFTUET Trading Company Limited	08282681	Quorn Grange Hotel	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets/(liabi- lities) £
GFTUET Trading Company Limited	1,691,760	(1,541,869)	149,891	(713,166)

The registered office of the subsidiary undertaking is the same as that of the parent charity.

The subscribers to the shares of GFTUET Trading Company Limited are G Little and S Woolley, trustees to the Trust and the Trust is the beneficial owner of those shares.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

13. Debtors

	Group 2024 £	<i>Group 2023 £</i>	Trust 2024 £	<i>Trust 2023 £</i>
Due within one year				
Trade debtors	64,583	32,179	2,953	5,185
Amounts owed by group undertakings	-	-	873,186	853,109
Other debtors	337,901	67,190	-	31,117
Prepayments and accrued income	8,402	5,089	8,402	5,089
	<u>410,886</u>	<u>104,458</u>	<u>884,541</u>	<u>894,500</u>

14. Creditors: Amounts falling due within one year

	Group 2024 £	<i>Group 2023 £</i>	Trust 2024 £	<i>Trust 2023 £</i>
Amounts due to GFTU	4,847,614	4,847,614	4,847,614	4,847,614
Trade creditors	169,436	155,582	12,351	9,393
Other taxation and social security	54,721	108,271	1,840	-
Other creditors	224,789	120,069	20,574	26,650
	<u>5,296,560</u>	<u>5,231,536</u>	<u>4,882,379</u>	<u>4,883,657</u>

Amounts due to the GFTU are classified within one year in absence of a formal loan agreement between the two parties and is therefore technically repayable on demand. However, the GFTU have confirmed that there is no expectation that amounts would need to be repaid in the foreseeable future.

	Group 2024 £	<i>Group 2023 £</i>	Trust 2024 £	<i>Trust 2023 £</i>
Deferred income at 1 January 2024	15,771	7,521	15,771	7,521
Resources deferred during the year	9,425	15,771	9,425	15,771
Amounts released from previous periods	(15,771)	(7,521)	(15,771)	(7,521)
	<u>9,425</u>	<u>15,771</u>	<u>9,425</u>	<u>15,771</u>

Deferred income relates to course fees received in advance of delivery and grant income received in advance of entitlement.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2024 £
Unrestricted funds				
General reserve fund	(1,261,597)	368,054	(467,990)	(1,361,533)
Revaluation reserve	398,947	-	-	398,947
	<u>(862,650)</u>	<u>368,054</u>	<u>(467,990)</u>	<u>(962,586)</u>
Restricted funds				
Restricted Funds - all funds	<u>1,351,379</u>	<u>1,653,108</u>	<u>(1,498,693)</u>	<u>1,505,794</u>
Total of funds	<u><u>488,729</u></u>	<u><u>2,021,162</u></u>	<u><u>(1,966,683)</u></u>	<u><u>543,208</u></u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

15. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Taxation £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2023 £</i>
Unrestricted funds						
General Funds - all funds	(1,010,696)	325,268	(576,169)	-	-	(1,261,597)
Revaluation reserve	463,947	-	-	-	(65,000)	398,947
	<u>(546,749)</u>	<u>325,268</u>	<u>(576,169)</u>	<u>-</u>	<u>(65,000)</u>	<u>(862,650)</u>
Restricted funds						
Restricted Funds - all funds	<u>1,415,604</u>	<u>1,583,273</u>	<u>(1,609,498)</u>	<u>(38,000)</u>	<u>-</u>	<u>1,351,379</u>
Total of funds	<u>868,855</u>	<u>1,908,541</u>	<u>(2,185,667)</u>	<u>(38,000)</u>	<u>(65,000)</u>	<u>488,729</u>

Restricted reserve fund - investment

During 2012 the Trust disposed of its managed investments portfolio and used the realised proceeds to purchase a hotel property and a limited company to operate the hotel business. As such, the income and expenditure from the hotel trading activities, and any realised or unrealised gain/(loss) on revaluation is treated as restricted funds in the Consolidated Statement of Financial Activities.

16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	2,604,092	451,693	3,055,785
Investment property	-	2,345,000	2,345,000
Current assets	420,581	18,402	438,983
Creditors due within one year	(1,518,879)	(3,777,681)	(5,296,560)
Total	<u>1,505,794</u>	<u>(962,586)</u>	<u>543,208</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	1,567,182	1,621,648	3,188,830
Investment property	-	2,345,000	2,345,000
Current assets	135,076	51,359	186,435
Creditors due within one year	(350,879)	(4,880,657)	(5,231,536)
Total	1,351,379	(862,650)	488,729

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

	Group 2024 £	Group 2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	54,479	(380,126)
Adjustments for:		
Depreciation charges	116,449	103,155
Impairment of tangible fixed assets	-	1,400,000
Losses /(Gains) on investment property	-	65,000
Rents from investment property	(115,267)	(103,647)
Loss on disposal of fixed assets	21,360	-
Decrease/(increase) in stocks	(3,277)	1,712
Decrease/(increase) in debtors	(306,428)	37,525
Increase/(decrease) in creditors	65,024	(1,315,296)
Net cash used in operating activities	(167,660)	(191,677)

18. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	15,666	72,823

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

19. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	72,823	(57,157)	15,666
	<u>72,823</u>	<u>(57,157)</u>	<u>15,666</u>

20. Contingent liabilities

A claim of £106,000 has been made on the Trust in connection with the refurbishment of the hotel, operated by the Trust's trading company. Having taken appropriate advice, in the Trustees' view the Trust is not liable and is contesting the claim on the basis that the work was not completed in accordance with the contract. Therefore, the claim has not been provided for in the financial statements, as in the Trustees' opinion, it is not probable that it will be paid.

21. Pension commitments

The Charity and its subsidiary operates a defined contribution pension scheme for its employees. The pension costs for the year represents contributions payable by the Charity and its subsidiary to the scheme and amounted to £24,928 (2023: £25,214)

Contributions totalling £2,410 (2023: £3,445) were payable to the scheme at the end of the year and are included within accruals.

22. Operating lease commitments

At 31 December 2024 the Group and the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £	Trust 2024 £	Trust 2023 £
Not later than 1 year	4,251	6,721	-	2,470
Later than 1 year and not later than 5 years	9,121	13,372	-	-
	<u>13,372</u>	<u>20,093</u>	<u>-</u>	<u>2,470</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2024

23. Exceptional item

In the prior year, an impairment charge of £1.4m was provided for in respect of the Trust's major fixed asset, a hotel.

The Trust was originally provided with in excess of £6m of funds to purchase and refurbish the hotel and related assets by a related party - the General Federation of Trade Unions (GFTU). In 2023, the members of GFTU elected to forego the equivalent amount of £1.4m in respect of amounts owing by the Trust to GFTU.

In the current year an additional amount of £201,021 was forgone in respect of these debts as reported in more detail in note 25.

24. Related party transactions

The Educational Trust was established by the General Federation of Trade Unions (GFTU) and continues to be supported financially by it.

During the year management charges of £110,000 (2023: £200,000) were paid by GFTU to the Trust. GFTU also recharges employment costs of £406,040 (2023: £341,109) to the Trust. An amount of £201,021 (2023: £1,400,00) due to GFTU from the Trust was written off, as reported in more detail in note 25.

At the balance sheet date an amount of £4,847,614 (2023: £4,847,614) was due to GFTU from the Trust.

Strike Map UK Ltd is a related party due to a common directorship. The Trust made sales to the company of £10,718 (2023: £384). There is an amount in debtors due from the company of £553 (2023: £413).

Clouds Unfold Limited is a related party due to a common directorship. The Trust made purchases from the company of £Nil (£1,100).

25. Post balance sheet events

Subsequent to the year-end, the members of the GFTU elected to forego an amount of £201,021 in respect of amounts owing by the Trust to the GFTU. Whilst the formal election was made subsequent to the year-end, this has been reported in the financial statements as an adjusting post balance sheet event. This was on the basis that events or conditions existed at the reporting date which meant the debt could not be repaid in full to the GFTU, nor is it the intention of the GFTU to expect repayment. The amounts had already been forwarded in full to the GFTU during the year-ended 31 December 2024. The Trust has always been financially supported by the GFTU on an annual basis, and there is a significant amount of mutuality to the two entities operations. There are no conditions, legal or otherwise, in existence in respect of the balances owed by the Trust to the GFTU. For those reasons, in the Trustee's opinion, if the debt forgone was not reflected in the financial statements at the 31 December 2024, a true and fair view would not be reported.

Accounts

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report and financial statements

for the year ended 31 December 2023

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Contents

	Page
Reference and administrative details of the Trust, its Trustees and advisers	1
Trustees' report	2 - 5
Independent auditors' report on the financial statements	6 - 9
Consolidated statement of financial activities	10
Consolidated balance sheet	11
Trust balance sheet	12
Consolidated statement of cash flows	13
Notes to the financial statements	14 - 33

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Reference and administrative details of the Trust, its Trustees and advisers for the year ended 31 December 2023

Trustees	S Woolley, Chair B Richards (Resigned December 2023) S Parkinson E Nicholson N Rae A Pratten S Orchard J Westerman CBE A Prochaska M Sanders M Bennett G Little (Appointed May 2023)
Company registered number	313439
Registered office	86 Wood Lane Quorn Leicestershire LE12 8DB
Company secretary	G Little
Independent auditors	PKF Smith Cooper Audit Limited Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report for the year ended 31 December 2023

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

Objectives and activities

a. Policies and objectives

The principal objective of the Trust is to provide educational courses and seminars for the individual members of the trade unions that are affiliated trade unions. It also produces publications and carries out project work in support of these activities and for the wider benefit of the community.

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)'.

Strategic report

Achievements and performance

a. Main achievements of the Trust and review of activities

This has been an exciting year for the Trust, during which we have significantly expanded our educational provision. We have continued to offer our bitesize and train the trainer courses, and our popular Young Member Development Weekend, designed and run by young members for young members. In addition, we have put on new Workplace Reps Stage 1 and 2 courses, Health & Safety Stage 1 & 2 courses, a relaunched Trade Union & Working Class History course, along with new courses on challenging sexual harassment and on economics. New courses on the Roots of Racism and Digital Strategy have also proved popular, along with the relaunch of our Trade Union Leadership and Innovation Programme. Taken together, this is the biggest expansion in our activities in at least a decade.

We have retained our Institute for Leadership and Management status and remain in partnership with the National Open College Network to deliver the End Point Assessment for the new trade union officials' apprenticeship.

The appointment of a new Secretary and a new Head of Education, Campaigns and Organising have been a significant developments for the Trust and we marked the retirement of our previous Secretary with a cultural event, which served as an opportunity to highlight the work of the Trust.

The Trust has welcomed many unions to Quorn Grange Hotel to deliver their own programmes and is involved in discussions with some affiliated unions about closer working relationships in the future in terms of education delivery.

The management of our subsidiary trading arm is the responsibility of the Secretary and the hotel directors and regular reports have been received.

All Trustees have undergone regular training at Trustee meetings and a full programme of induction has been undertaken by the new Secretary.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2023

Strategic report (continued)

Financial review

a. Financial review

The results of the year are set out in the consolidated Statement of Financial Activities on page 11 and show a deficit of £380,126 (2022: £99,240 surplus). The group had net assets of £488,729 (2022: £868,855) as shown on the Balance Sheet on page 12, represented by a restricted fund surplus of £1,351,379 (2022: £1,415,604) and an unrestricted fund deficit of £862,650 (2022: £546,749).

The trust continues to be, in part, financially supported by the Federation, which maintains adequate resources to fund the Trust's operations through the payment of a management charge. The Federation has assured the Trustees that it expects to maintain these payments to the Trust at a sufficient level to enable the Trust to continue its current activities.

In 2023 the General Federation of Trade Unions had a deficit of £1,573,408 (2022: £171,536) and showed a deficit before the payment of management charges to the Trust of £1,373,408 (2022: £78,464 surplus).

b. Reserves policy

The Trust has two funds, the General Reserve Fund, which the Trustees are free to use in accordance with the charitable objectives set out in the Trust Deed and the Restricted Reserve fund, which can only be used to fund the specific projects undertaken by the Trust. There is no governing requirement to hold a specific level of General Reserves, due to the financial support of the Trust by the General Federation of Trade Unions. At present the General Reserve stands at £862,650 deficit (2022: £546,749). The Trust's policy is to achieve positive general reserves over the medium term.

c. Going concern

As described in Note 1.2 to the Financial Statements, each year the Trustees assess whether the use of going concern is appropriate. The Trust has made a consolidated loss in the year to 31 December 2023 and is forecast to report a consolidated loss in the year to 31 December 2024. As at 31 December 2023, the Trust owed £4,847,614 to its related undertaking the General Federation of Trade Unions (GFTU). No specific terms and conditions are attached regarding repayment or interest in respect of balances due, but the GFTU has agreed not to seek repayment of the amounts for a minimum of 12 months from the date of approval of the financial statements. Whilst the Trust continues to receive operational and financial support from the GFTU, which it has done for many years, the GFTU cannot continue to fund the Trust indefinitely, and the extent of any support will, in part, be dependent on the performance of the GFTU Trading Company and the ability of the Trust to secure further independent funding.

In the absence of other funding, which the Trust is endeavouring to obtain, the Trust is dependent upon the continued support of the GFTU to meet its liabilities as they fall due. Following a review of cashflow forecasts the Trustees have concluded that there will be sufficient funds available for the Trust to continue as going concern for a minimum of 12 months from the date of approval of the financial statements.

d. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the financing of the Trust and its dependence on payments from the Federation. The Trustees are satisfied that all possible steps have been taken to mitigate those risks. The risks and opportunities facing the trust in this sector have been under constant review.

Structure, governance and management

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2023

Structure, governance and management (continued)

a. Constitution

The Trust, an unincorporated organisation, charity number 313439, is a recognised charity, operated under the rules of its Trust Deed dated 29 October 1970. The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed (as amended). The General Federation of Trade Unions has the power to appoint the Trustees, subject to there not being a majority of Trustees who are also officers, employees or Trustees of the Federation. The Trustees have reviewed the application and relevance of the Trust deed and made no amendments. Developments in legislation and guidance from the Charity Commissioners have been considered.

b. Methods of appointment or election of Trustees

The Trust Deed provides that the General Federation of Trade Unions may appoint trustees, subject to there being a majority of independent trustees. Should a vacancy for an independent trustee occur, the Trustees seek nominations for the individuals having regard to any specific skills needed.

c. Organisational structure and decision-making policies

The board of trustees meet regularly to discuss the development of the Trust along with finance and issues relevant to the running of the Trust. The day to day operations of the charity are managed by the Secretary who has delegated authority, within the terms of delegation approved by the trustees, for all operational matters.

d. Policies adopted for the induction and training of Trustees

New trustees are fully briefed by the Secretary with regard to their legal obligations under the charities legislation, the content of the Trust Deed, the decision making processes and recent financial performance. Trustees are encouraged to attend appropriate external training events where they will facilitate the undertaking of their role.

e. Related party relationships

The Trust continues to maintain its close relationship with the General Federation of Trade Unions whose principal activity is to provide services to members of affiliated trade unions. The Federation has confirmed its continuing support in order that the Trust can carry out its charitable objectives.

f. Financial risk management

The Trustees have assessed the major risks to which the Group and the Trust are exposed, in particular those related to the operations and finances of the Group and the Trust, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2023

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments 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.

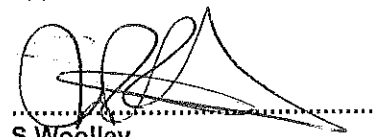
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

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



S Woolley
Chair of Trustees

Date: 11/12/24

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust

Opinion

We have audited the financial statements of General Federation of Trade Unions Educational Trust (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 Trust 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 charity'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 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 Auditors' 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.

Emphasis of matter

We draw your attention to note 1.2 which describes events or conditions which cast doubt on the ability of the Trust to obtain repayment of amounts due from its subsidiary undertaking of £853k, which impacts the Trust's Statement of Financial Position but not on a Consolidated basis. No provision has been made against amounts due, albeit there is no likely repayment, in full or substantially in part, for a least one year from the date of approval of the financial statements.

Furthermore, we draw your attention to note 28 which describes a significant adjusting post balance sheet event due to the impairment of the Trust's most significant asset and the resultant debt foregone by the General Federations of Trade Unions.

Our opinion is not modified in respect of these matters.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that there are conditions identified that may cast significant doubt on the Trust's ability to continue as a going concern. The Trust has net current liabilities and has reported a consolidated loss in the year to 31 December 2023 and if forecast to do so in the year ended 31 December 2024. The Trust is reliant on the support of the General Federation of Trade Unions to meet its liabilities as they fall due. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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:

Based on our understanding of the charity and industry, we identify the key laws and regulations affecting the charity. We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions.

We focussed on those areas that could give rise to a material misstatement in the charity's financial statements. Our procedures included, but were not limited to:

- enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- reviewing minutes of meetings of those charged with governance where available;
- reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular the assumptions used in relation to the defined benefit pension scheme, investment property valuations and impairment of tangible fixed assets.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Use of our report

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

PKF Smith Cooper Audit Limited

PKF Smith Cooper Audit Limited

Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Date: 11 December 2024

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Consolidated Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Income received from GFTU		-	200,000	200,000	250,000
Donations		-	216	216	-
Trading activities:					
Hotel		1,583,273	-	1,583,273	1,657,186
HMRC Covid-19 grants received		-	-	-	6,000
Investment income		-	262	262	66
Other income	3	-	124,790	124,790	114,190
Total income		1,583,273	325,268	1,908,541	2,027,442
Expenditure on:					
Trading activities					
Hotel		1,609,498	-	1,609,498	1,550,975
Charitable activities:					
Education Trust expenditure	4	-	576,169	576,169	426,727
Impairment of tangible fixed assets (note 28)		1,400,000	-	1,400,000	-
Amounts due to GFTU foregone (note 28)		(1,400,000)	-	(1,400,000)	-
Total expenditure		1,609,498	576,169	2,185,667	1,977,702
Net (expenditure)/income before net (losses)/gains on investments		(26,225)	(250,901)	(277,126)	49,740
Gain on revaluation of investment property		-	(65,000)	(65,000)	49,500
Net (expenditure)/income before taxation		(26,225)	(315,901)	(342,126)	99,240
Taxation		(38,000)	-	(38,000)	-
Net movement in funds		(64,225)	(315,901)	(380,126)	99,240
Reconciliation of funds:					
Total funds brought forward		1,415,604	(546,749)	868,855	769,615
Net movement in funds		(64,225)	(315,901)	(380,126)	99,240
Total funds carried forward		1,351,379	(862,650)	488,729	868,855

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

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST
Registered number: 313439

**Consolidated balance sheet
as at 31 December 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	3,188,830	4,674,430
Investment property	12	2,345,000	2,410,000
		<u>5,533,830</u>	<u>7,084,430</u>
Current assets			
Stocks		9,154	10,866
Debtors	14	104,458	141,983
Cash at bank and in hand		72,823	178,408
		<u>186,435</u>	<u>331,257</u>
Creditors: amounts falling due within one year	15	(5,231,536)	(6,546,832)
		<u>(5,045,101)</u>	<u>(6,215,575)</u>
Net current liabilities			
		<u>488,729</u>	<u>868,855</u>
Total assets less current liabilities			
		<u>488,729</u>	<u>868,855</u>
Total net assets		<u><u>488,729</u></u>	<u><u>868,855</u></u>
Charity funds			
Restricted funds	17	1,351,379	1,415,604
Unrestricted funds	17	(862,650)	(546,749)
		<u>488,729</u>	<u>868,855</u>
Total funds		<u><u>488,729</u></u>	<u><u>868,855</u></u>

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


S Woolley

Chair of Trustees

Date: 11-12-24

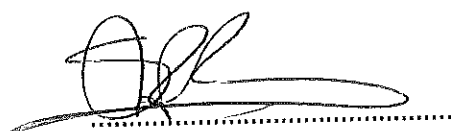
GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST
Registered number: 313439

**Trust balance sheet
as at 31 December 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	2,986,236	4,437,203
Investments	13	2	2
Investment property	12	2,345,000	2,410,000
		<u>5,331,238</u>	<u>6,847,205</u>
Current assets			
Debtors	14	894,500	894,266
Cash at bank and in hand		9,708	96,885
		<u>904,208</u>	<u>991,151</u>
Creditors: amounts falling due within one year	15	(4,883,657)	(6,177,864)
Net current liabilities		<u>(3,979,449)</u>	<u>(5,186,713)</u>
Total assets less current liabilities		<u>1,351,789</u>	<u>1,660,492</u>
Total net assets		<u><u>1,351,789</u></u>	<u><u>1,660,492</u></u>
Charity funds			
Restricted funds	17	2,052,351	2,052,351
Unrestricted funds	17	(700,562)	(391,859)
Total funds		<u><u>1,351,789</u></u>	<u><u>1,660,492</u></u>

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


S Woolley
Chair of Trustees
Date: 11-12-24

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Consolidated statement of cash flows
for the year ended 31 December 2023**

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	<u>(191,677)</u>	<u>(137,031)</u>
Cash flows from investing activities		
Rents from investment property	103,647	106,883
Purchase of tangible fixed assets	(17,555)	(63,563)
Purchase of investment property	-	(500)
Net cash provided by investing activities	<u>86,092</u>	<u>42,820</u>
Cash flows from financing activities		
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year	(105,585)	(94,211)
Cash and cash equivalents at the beginning of the year	<u>178,408</u>	<u>272,619</u>
Cash and cash equivalents at the end of the year	<u>72,823</u>	<u>178,408</u>

The notes on pages 14 to 33 form part of these financial statements

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies

1.1 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), the Charities Act 2011 and applicable regulations.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Trust and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. No separate statement of financial activities is presented for the parent undertaking in accordance with UK GAAP.

The financial statements are presented in sterling which is the functional currency of the Group and are rounded to the nearest £1.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern for a period of at least one year from the date of approval of the financial statements.

The Trust has made a consolidated loss in the year to 31 December 2023 and is forecast to report a consolidated loss in the year to 31 December 2024.

As at 31 December 2023, the Trust owed £4,847,614 to its related undertaking the General Federation of Trade Unions (GFTU). No specific terms and conditions are attached regarding repayment or interest in respect of balances due, but the GFTU has agreed not to seek repayment of the amounts for a minimum of 12 months from the date of approval of the financial statements.

Furthermore, the Trust continues to receive operational and financial support from the GFTU, which it has done for many years, and the members of the GFTU have confirmed that this will continue to be the case. However, the GFTU cannot continue to fund the Trust indefinitely, and the extent of any support will, in part, be dependent on the performance of the GFTU Trading Company and the ability of the Trust to secure further independent funding.

The GFTU Trading Company has made losses in the year 31 December 2023 and is forecast to do so in the year-ended 31 December 2024. Furthermore, the Trust was owed £853k by the GFTU Trading Company at the 31 December 2023 and the debt will not be settled in full or in part in the foreseeable future. No provision has been made against debts due, as it is the opinion of the Trustees, that the GFTU Trading Company will be in position to repay the debt in due course. This opinion is based on information provided by the Trading Company, which forecasts a return to profitability in the year ended 31 December 2025, following a review of the Company's operations and remedial action being taken.

In the absence of other funding, which the Trust is endeavouring to obtain, the Trust is dependent upon the continued support of the GFTU to meet its liabilities as they fall due.

Notwithstanding the above, the Trustees are satisfied that following a review of cashflow forecasts there will be sufficient funds available for the Trust to continue as going concern for a minimum of 12 months from the date of approval of the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Management charges is recognised in the year it is receivable.

Income from hotel trading activities represents fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue from the sale of food and drink is recognised at point of sale. Revenue from accommodation, events and room hire is recognised over the period to which the services relate.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. No expenditure is netted off incoming resources. All costs have been attributed to the functional categories of resources expended in the Statement of Financial Activities.

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

Governance costs comprise all costs involving the accountability of the Group and its compliance with regulation and good practice. These costs include costs relating to statutory audit and professional fees together with an apportionment of overheads and support costs.

Costs of hotel and training company trading activities comprise cost of sales, establishment, employment, administration, depreciation and financial costs of generating the income from hotel trading activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust 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.

Subsidiary undertakings are liable to Corporation and Capital Gains Tax.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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

Depreciation is provided on the following bases:

Land and buildings	- 2% straight line
Improvements to property	- 15% reducing balance
Fixtures, fittings and equipment	- 15% reducing balance or 33% straight line

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.

1.7 Investment property

Investment properties are initially measured at cost and subsequently remeasured to fair value at each reporting date. Changes in fair value are recognised in the SOFA.

1.8 Investments

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

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Financial Activities.

1.10 Debtors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

1.11 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.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies (continued)

1.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

1.15 Pensions

Defined contribution scheme

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

Defined benefit scheme

Certain members of staff have joint contracts of employment with this entity and the General Federations of Trade Unions (GFTU) and have participated in the Defined Benefit Pension Scheme (DBPS) operated by the GFTU. However, the GFTU is the only admitted body to the DBPS and no financial commitments exist in respect of ongoing contributions to be made by the Trust to the scheme, these are solely the responsibility of the GFTU. Therefore, the actuarial impact of the DBPS is reflected in the financial statements of the GFTU only.

The pension costs of the staff who work for the Trust are charged to the income and expenditure account as they become payable.

1.16 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 Trust 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.

Tangible Fixed Assets

Management judgement is required in assessing the fair value of tangible fixed assets, including the future economic benefit expected to be generated by those assets. Specifically, the investment made in the purchase and refurbishment of the hotel, operated by the Trust's subsidiary undertaking. The assessment of the useful economic life and method of depreciating those assets also requires judgement.

Depreciation is charged to the SoFA based on the useful economic life selected of 50 years, which is the period over which the Trust expects to consume the economic benefits of the hotel. Depreciation is charged based on the difference between the cost and residual value of the asset. The residual value of the asset is based on a professional third party valuation.

Following an impairment review, the trustees concluded that the carrying value of the asset as at 31 December 2023 was in excess of residual value. This has resulted in an impairment charge of £1,400,000. The carrying value of the hotel at the balance sheet date is £2,482,587.

Investment Properties

The Trust carries its investment properties at fair value, with changes in fair value being recognised in the SoFA. The Trust engages a local independent estate agent to determine the fair value of the properties, due to the availability of comparable market data.

3. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
MEWS housing rent	103,647	103,647	106,883
Other income	21,143	21,143	7,307
	<u>124,790</u>	<u>124,790</u>	<u>114,190</u>
<i>Total 2022</i>	<u>114,190</u>	<u>114,190</u>	

In the Consolidated statement of financial activities, all other material income headings relate to one item and therefore no separate income note has been disclosed.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

4. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Education	576,169	576,169	426,727
<i>Total 2022</i>	426,727	426,727	

5. Analysis of expenditure by activities

	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	576,169	576,169	426,727
<i>Total 2022</i>	426,727	426,727	

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	341,109	235,708
Depreciation	67,546	68,092
Occupancy costs	14,700	30,640
Other costs	144,774	84,137
Governance costs	8,040	8,150
	576,169	426,727

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

6. Educational Trust statement of financial activities

	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income				
Income received from GFTU	-	200,000	200,000	250,000
Donation	-	216	216	-
Quorn Grange Hotel rent	-	54,000	54,000	54,000
MEWS housing rent	-	103,647	103,647	106,883
Other rent	-	8,152	8,152	5,056
Other income	-	20,135	20,135	20,607
	-	386,150	386,150	436,546
Expenditure				
Staff costs	-	341,109	341,109	235,708
Depreciation	-	67,546	67,546	68,092
Occupancy costs	-	35,291	35,291	30,640
Other costs	-	177,867	177,867	114,035
Governance costs	-	8,040	8,040	8,150
Impairment of fixed assets	-	1,400,000	1,400,000	-
Amounts due to GFTU written off	-	1,400,000	1,400,000	-
	-	629,853	629,853	456,625
Net income before net gains on investments	-	243,703	243,703	(20,079)
Gain / (Loss) on revaluation of investment property	-	65,000	65,000	49,500
Net movement in funds	-	308,703	308,703	29,421
Reconciliation of funds:				
Total funds brought forward	2,052,351	(391,859)	1,660,492	1,630,411
Net movement in funds	-	308,703	308,703	660
Total funds carried forward	2,052,351	(700,562)	1,351,789	1,631,071

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

7. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	<u>8,040</u>	<u>8,150</u>

8. Staff costs

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Wages and salaries	1,175,855	999,640	288,465	193,671
Social security costs	27,430	20,039	27,430	20,039
Pension costs	25,214	21,998	25,214	21,998
	<u>1,228,499</u>	<u>1,041,677</u>	<u>341,109</u>	<u>235,708</u>

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

	Group 2023 No.	Group 2022 No.	Trust 2023 No.	Trust 2022 No.
Research and Campaign	1	1	1	1
Administration	7	7	7	7
Education	2	-	-	-
Fundraising	2	-	-	-
Hotel Staff	46	46	-	-
	<u>58</u>	<u>54</u>	<u>8</u>	<u>8</u>

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	-	1

Key management personnel remuneration during the year totalled £165,032 (2022: £72,563) for short-term employment benefits and £18,016 (2022: £13,460) for post-employment benefits.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

9. Trustees' remuneration and expenses

During the year, 1 Trustee received remuneration for services provided as an employee of the Charity.

No remuneration was paid in relation to their role as a Trustee.

During the year ended 31 December 2023, expenses totalling £2,380 were reimbursed or paid directly to 3 Trustees (2022 - £NIL).

10. Intangible assets

Group and Trust

	Goodwill £
Cost	
At 1 January 2023	1
At 31 December 2023	1
Amortisation	
At 1 January 2023	1
At 31 December 2023	1
Net book value	
At 31 December 2023	-
At 31 December 2022	-

The goodwill arose on the purchase of the Quorn Grange Hotel investment property in 2012.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

11. Tangible fixed assets

Group

	Land and buildings £	Property improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2023	4,318,120	397,797	677,614	5,393,531
Additions	-	1,631	15,924	17,555
At 31 December 2023	<u>4,318,120</u>	<u>399,428</u>	<u>693,538</u>	<u>5,411,086</u>
Depreciation				
At 1 January 2023	51,754	279,983	387,364	719,101
Charge for the year	36,662	17,673	48,820	103,155
Impairment charge	1,400,000	-	-	1,400,000
At 31 December 2023	<u>1,488,416</u>	<u>297,656</u>	<u>436,184</u>	<u>2,222,256</u>
Net book value				
At 31 December 2023	<u>2,829,704</u>	<u>101,772</u>	<u>257,354</u>	<u>3,188,830</u>
At 1 January 2023	<u>4,266,366</u>	<u>117,814</u>	<u>290,250</u>	<u>4,674,430</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

11. Tangible fixed assets (continued)

Trust

	Freehold property £	Property improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2023	4,318,120	6,811	377,619	4,702,550
Additions	-	1,631	14,948	16,579
At 31 December 2023	<u>4,318,120</u>	<u>8,442</u>	<u>392,567</u>	<u>4,719,129</u>
Depreciation				
At 1 January 2023	51,754	5,228	208,365	265,347
Charge for the year	36,662	238	30,646	67,546
Impairment charge	1,400,000	-	-	1,400,000
At 31 December 2023	<u>1,488,416</u>	<u>5,466</u>	<u>239,011</u>	<u>1,732,893</u>
Net book value				
At 31 December 2023	<u>2,829,704</u>	<u>2,976</u>	<u>153,556</u>	<u>2,986,236</u>
At 1 January 2023	<u>4,266,366</u>	<u>1,583</u>	<u>169,254</u>	<u>4,437,203</u>

12. Investment property

Group and Trust

	Freehold investment property £
Valuation	
At 1 January 2022	2,410,000
Surplus on revaluation	(65,000)
At 31 December 2023	<u>2,345,000</u>

The investment property was revalued on 31 December 2022 by Berkley Estates, based on market value.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

13. Fixed asset investments

	Investments in subsidiary companies £
Trust	
Cost and net book value	
At 1 January 2023	2
At 31 December 2023	<u>2</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Trust:

Name	Company number	Principal activity	Class of shares	Holding
GFTUET Trading Company Limited	08282681	Quorn Grange Hotel	Ordinary	100%
Included in consolidation				
Yes				

The financial results of the subsidiaries for the year were:

Names	Profit/(Loss) for the year £	Net assets £
GFTUET Trading Company Limited	(32,139)	(825,056)

The registered office of the subsidiary undertaking is the same as that of the parent charity.

The subscribers to the shares of GFTUET Trading Company Limited are G Little and S Woolley, trustees to the Trust and the Trust is the beneficial owner of those shares.

Albion Education and Training Ltd, a wholly owned subsidiary of GFTUET Trading Company Limited, was dissolved in June 2023.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

14. Debtors

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Due within one year				
Trade debtors	32,179	52,851	5,185	945
Amounts owed by group undertakings	-	-	853,109	856,787
Other debtors	67,190	43,888	31,117	29,290
Prepayments and accrued income	5,089	7,244	5,089	7,244
Deferred taxation	-	38,000	-	-
	<u>104,458</u>	<u>141,983</u>	<u>894,500</u>	<u>894,266</u>

15. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Amounts due to GFTU	4,847,614	6,225,459	4,847,614	6,161,661
Trade creditors	155,582	115,631	9,393	6,356
Other taxation and social security	108,271	66,710	-	-
Accruals and deferred income	120,069	139,032	26,650	9,847
	<u>5,231,536</u>	<u>6,546,832</u>	<u>4,883,657</u>	<u>6,177,864</u>

Amounts due to the GFTU are classified within one year in absence of a formal loan agreement between the two parties and is therefore technically repayable on demand. However, the GFTU have confirmed that there is no expectation that amounts would need to be repaid in the foreseeable future.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

16. Financial instruments

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>99,369</u>	<u>96,739</u>	<u>889,411</u>	<u>887,022</u>
	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Financial liabilities				
Financial liabilities measured at amortised cost	<u>6,403,196</u>	<u>6,341,090</u>	<u>6,257,007</u>	<u>6,168,017</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors and amounts due to GFTU.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

17. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds						
General reserve fund	(1,010,696)	325,268	(576,169)	-	-	(1,261,597)
Revaluation reserve	463,947	-	-	-	(65,000)	398,947
	<u>(546,749)</u>	<u>325,268</u>	<u>(576,169)</u>	<u>-</u>	<u>(65,000)</u>	<u>(862,650)</u>
Restricted funds						
Restricted Funds - all funds	<u>1,415,604</u>	<u>1,583,273</u>	<u>(1,609,498)</u>	<u>(38,000)</u>	<u>-</u>	<u>1,351,379</u>
Total of funds	<u><u>868,855</u></u>	<u><u>1,908,541</u></u>	<u><u>(2,185,667)</u></u>	<u><u>(38,000)</u></u>	<u><u>(65,000)</u></u>	<u><u>488,729</u></u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds					
General reserve fund	(948,225)	364,256	(426,727)	-	(1,010,696)
Revaluation reserve	414,447	-	-	49,500	463,947
	<u>(533,778)</u>	<u>364,256</u>	<u>(426,727)</u>	<u>49,500</u>	<u>(546,749)</u>
Restricted funds					
Restricted reserve fund - investment	<u>1,303,393</u>	<u>1,663,186</u>	<u>(1,550,975)</u>	<u>-</u>	<u>1,415,604</u>
Total of funds	<u><u>769,615</u></u>	<u><u>2,027,442</u></u>	<u><u>(1,977,702)</u></u>	<u><u>49,500</u></u>	<u><u>868,855</u></u>

Restricted reserve fund - investment

The Trustees consider the capital element of the exceptional Gift Aid received in 2005 amounting to £3,000,000 should be treated as a restricted fund on the grounds that whilst the income from this capital fund can be used in accordance with charitable objectives set out in the trust deed, the capital fund itself cannot be expended. Accordingly the Statement of Financial Activities has been presented to separately disclose the restricted funds is made each year to maintain the capital element of the 2005 exceptional Gift Aid at its market value.

During 2012 the Trust disposed of its managed investments portfolio and used the realised proceeds to purchase a hotel property and a limited company to operate the hotel business. As such, the income and expenditure from the hotel trading activities, and any realised or unrealised gain/(loss) on revaluation is treated as restricted funds in the Consolidated Statement of Financial Activities. During 2014 a training company was incorporated as a subsidiary of the hotel trading company and, as such, the income and expenditure from the training company trading activities is treated in the same manner.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

18. Summary of funds

Summary of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2023 £
General funds	(546,749)	325,268	(576,169)	-	(65,000)	(862,650)
Restricted funds	1,415,604	1,583,273	(1,609,498)	(38,000)	-	1,351,379
	<u>868,855</u>	<u>1,908,541</u>	<u>(2,185,667)</u>	<u>(38,000)</u>	<u>(65,000)</u>	<u>488,729</u>

Summary of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
General funds	(533,778)	364,256	(426,727)	49,500	(546,749)
Restricted funds	1,303,393	1,663,186	(1,550,975)	-	1,415,604
	<u>769,615</u>	<u>2,027,442</u>	<u>(1,977,702)</u>	<u>49,500</u>	<u>868,855</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,567,182	1,621,648	3,188,830
Investment property	-	2,345,000	2,345,000
Current assets	135,076	51,359	186,435
Creditors due within one year	(350,879)	(4,880,657)	(5,231,536)
Total	<u>1,351,379</u>	<u>(862,650)</u>	<u>488,729</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,588,961	3,085,469	4,674,430
Investment property	-	2,410,000	2,410,000
Current assets	157,611	135,646	293,257
Creditors due within one year	(368,968)	(6,177,864)	(6,546,832)
Provisions for liabilities and charges	38,000	-	38,000
Total	1,415,604	(546,749)	868,855

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

	Group 2023 £	Group 2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(380,126)	99,240
Adjustments for:		
Depreciation charges	103,155	109,465
Impairment of tangible fixed assets	1,400,000	-
Losses /(Gains) on investment property	65,000	(49,500)
Rents from investment property	(103,647)	(106,883)
Loss/(profit) on the sale of fixed assets	-	(29,125)
Decrease/(increase) in stocks	1,712	(3,664)
Decrease in debtors	37,525	40,574
Decrease in creditors	(1,315,296)	(197,138)
Net cash used in operating activities	(191,677)	(137,031)

21. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	72,823	178,408
Total cash and cash equivalents	72,823	178,408

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

22. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	178,408	(105,585)	72,823
	<u>178,408</u>	<u>(105,585)</u>	<u>72,823</u>

23. Contingent liabilities

A claim of £106,000 has been made on the Trust in connection with the refurbishment of the hotel, operated by the Trust's trading company. Having taken appropriate advice, in the Trustees' view the Trust is not liable and is contesting the claim on the basis that the work was not completed in accordance with the contract. Therefore, the claim has not been provided for in the financial statements, as in the Trustees' opinion, it is not probable that it will be paid.

24. Pension commitments

The Charity and its subsidiary operates a defined contribution pension scheme for its employees. The pension costs for the year represents contributions payable by the Charity and its subsidiary to the scheme and amounted to £25,214 (2022: £21,998)

Contributions totalling £3,445 (2022: £2,849) were payable to the scheme at the end of the year and are included within accruals.

25. Operating lease commitments

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

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Not later than 1 year	6,721	6,299	2,470	5,294
Later than 1 year and not later than 5 years	13,372	3,336	-	3,336
	<u>20,093</u>	<u>9,635</u>	<u>2,470</u>	<u>8,630</u>

26. Contingent asset

The Trust's subsidiary undertaking is currently in advanced discussions regarding an insurance claim in respect of business disruption experienced during the Covid 19 pandemic. The directors of GFTUET Trading Company Limited consider it more likely than not there will an inflow of economic benefits, but it is not practicable to estimate the financial effect at the date of approval of the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

27. Related party transactions

The Educational Trust was established by the General Federation of Trade Unions (GFTU) and continues to be supported financially by it.

During the year management charges of £200,000 (2022: £250,000) were paid by GFTU to the Trust. GFTU also recharges employment costs of £341,109 (2022: £235,708) to the Trust. An amount of £1,400,000 due to GFTU from the Trust was written off, as reported in more detail in note 28.

At the balance sheet date an amount of £4,847,614 (2022: £6,161,661) was due to GFTU from the Trust.

Strike Map UK Ltd is a related party due to a common directorship. The Trust made sales to the company of £384. There is an amount in debtors due from the company of £413.

Clouds Unfold Limited is a related party due to a common directorship. The Trust made purchases from the company of £1,100.

28. Post balance sheet events

Events or conditions were in existence at the 31 December 2023, which required an impairment of the Trust's major fixed asset, a hotel, by £1.4m to £2.5m.

The Trust was originally provided with in excess of £6m of funds to purchase and refurbish the hotel and related assets by a related party - the General Federation of Trade Unions (GFTU).

Subsequent to the year-end, the members of the GFTU elected to forego the equivalent amount of £1.4m, in respect of amounts owing by the Trust to the GFTU. Whilst the election was made subsequent to the year-end, this has been reported in the financial statements as an adjusting post balance sheet event. This was on the basis that events or conditions existed at the reporting date – the impairment of the hotel – which meant the debt could not be repaid in full to the GFTU. It was always the intention of the GFTU that the most likely outcome in respect of the settlement of the debt would be on the eventual sale of the hotel. Further, the Trust has always been financially supported by the GFTU on an annual basis, and there is a significant amount of mutuality to the two entities operations. There are no conditions, legal or otherwise, in existence in respect of the balances owed by the Trust to the GFTU. For those reasons, in the Trustee's opinion, if the debt forgone was not reflected in the financial statements at the 31 December 2023, a true and fair view would not be reported.

Accounts

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report and financial statements

for the year ended 31 December 2022

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Contents

	Page
Reference and administrative details of the Trust, its Trustees and advisers	1
Trustees' report	2 - 5
Independent auditors' report on the financial statements	6 - 9
Consolidated statement of financial activities	10
Consolidated balance sheet	11
Trust balance sheet	12
Notes to the financial statements	13 - 29

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Reference and administrative details of the Trust, its Trustees and advisers for the year ended 31 December 2022

Trustees	S Woolley, Chair B Richards S Parkinson E Nicholson N Rae A Pratten S Orchard L Ambler (Resigned May 2022) J Westerman CBE A Prochaska M Sanders M Bennett
Company registered number	313439
Registered office	86 Wood Lane Quorn Leicestershire LE12 8DB
Company secretary	D Nicholls
Independent auditors	PKF Smith Cooper Audit Limited Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report for the year ended 31 December 2022

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2022.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and activities

a. Policies and objectives

The principal objective of the Trust is to provide educational courses and seminars for the individual members of the trade unions that are affiliated trade unions. It also produces publications and carries out project work in support of these activities and for the wider benefit of the community.

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)'.

Achievements and performance

a. Main achievements of the Trust and review of activities

This has been an exciting and significant year for the Trust.

The main development has been the appointment of a three person fundraising team. This has been possible thanks to the commitment to underpin from reserves these appointments for a year by the General Federation of Trade Unions. The team has the remit of seeking to bring to fruition the ambitious funding plans that the Trust has both for core and project based funding.

The appointment of a professional team of fundraisers towards the very end of 2022 meant that a great deal of work has had to be done to ensure that all of the relevant policies, procedures, infrastructure and communications strategies are fully in place, alongside an organisational strategy to ensure that the Trust has the full capacity to manage new work and meet new project and funding deadlines.

A new website, revised accounting policies, and management reporting have all be required within a short space of time to ensure that robust bids can be submitted. New tools for monitoring educational impact and tracking our work and grant applications have been introduced. The Secretary manages the fund raising team and the progress of their work is available to all Trustees via a new tracking system.

Our commitment to flexible, accessible, quality educational opportunities has remained strong with a range of new innovations having taken place this year. We successfully organised new bite size learning opportunities on line for busy union representatives, longer more in depth bigger picture and strategic type discussions about general issues of the day, our young members development weekend flourishes with a very active group of young trade unionists planning another event and a new members' event in 2023.

A vital source of our energy and relevance are the regular meetings of the education officers of affiliated unions and this has proved a lively forum for expert discussion on such issues as co operative development, the pedagogical impact of online learning and new online learning platforms. We have retained our Institute for Leadership and Management status and remain in partnership with the National Open College Network to deliver the End Point Assessment for the new trade union officials' apprenticeship.

An essential and welcome step forward this year was to appoint on a contract for services basis a national education officer, this has been a missing resource for a number of years and the refilling of this post enabled wider impact and more educational deliver.

The Trust has welcomed many unions to Quorn Grange Hotel to deliver their own programmes and is involved in discussions with some affiliated unions about closer working relationships in the future in terms of education delivery.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2022

Achievements and performance (continued)

The Trust was pleased to receive a collection of trade union and political badges from the outgoing Secretary for permanent display in Quorn and thanks the Trade Union Badge Collectors' Society for their work in creating a catalogue for this.

The Trust's sponsorship of a PhD on the history of the GFTU was greatly justified with the completion of Dr Edda Nicolson's important work which we hope will be published shortly. Another Trustee historian Dr Alice Prochaska had her 1980 history of the GFTU republished also. Along with our sponsorship of unique education courses on the history of the Labour Movement and sponsorship of a new international trade union history website we have maintained an important place in the promotion of history. This was also reflected in our unique publication of a CD of working songs relating to the River Thames and this is work we hope to continue with FolkTree Records.

Our relationship with the Workers' Educational Association remains close and new areas of work and common interests have developed.

The management of our subsidiary trading arm is the responsibility of the Secretary and the hotel directors and regular reports have been received.

All Trustees were involved in several sessions of finance training ably led by a Trustee who is a qualified accountant with many years senior leadership experience in national charities.

Full induction has taken place with the incoming Secretary.

Financial review

a. Financial review

The results of the year are set out in the consolidated Statement of Financial Activities on page 10 and show a surplus of £99,240 (2021: £230,685). The group had net assets of £868,855 (2021: £769,615) as shown on the Balance Sheet on page 11, represented by a restricted fund surplus of £1,415,604 (2021: £1,303,393) and an unrestricted fund deficit of £546,749 (2021: £533,778).

The trust continues to be, in part, financially supported by the Federation, which maintains adequate resources to fund the Trust's operations through the payment of a management charge. The Federation has assured the Trustees that it expects to maintain these payments to the Trust at a sufficient level to enable the Trust to continue its current activities.

In 2022 the General Federation of Trade Unions had a deficit of £171,536 (2021: £23,146 deficit) and showed a surplus before the payment of management charges to the Trust of £78,464 (2021: £176,854).

b. Reserves policy

The Trust has two funds, the General Reserve Fund, which the Trustees are free to use in accordance with the charitable objectives set out in the Trust Deed and the Restricted Reserve fund, which can only be used to fund the specific projects undertaken by the Trust. The Restricted Fund also includes the sum of £3,000,000, which the Trust is required to maintain under the terms of exceptional Gift Aid donated by the Federation in 2005. The Executive Committee of the Federation has varied the terms of the restriction to take account of fluctuations in the value of underlying investments. There is no governing requirement to hold a specific level of General Reserve, due to the financial support of the Trust by the General Federation of Trade Unions. At present the General Reserve stands at £546,749 deficit (2021: £533,778). The Trust's policy is to achieve positive general reserves over the medium term.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2022

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the financing of the Trust and its dependence on payments from the Federation. The Trustees are satisfied that all possible steps have been taken to mitigate those risks. The risks and opportunities facing the trust in this sector have been under constant review.

Structure, governance and management

a. Constitution

The Trust, an unincorporated organisation, charity number 313439, is a recognised charity, operated under the rules of its Trust Deed dated 29 October 1970. The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed (as amended). The General Federation of Trade Unions has the power to appoint the Trustees, subject to there not being a majority of Trustees who are also officers, employees or Trustees of the Federation. The Trustees have reviewed the application and relevance of the Trust deed and made no amendments. Developments in legislation and guidance from the Charity Commissioners have been considered.

b. Methods of appointment or election of Trustees

The Trust Deed provides that the General Federation of Trade Unions may appoint trustees, subject to there being a majority of independent trustees. Should a vacancy for an independent trustee occur, the Trustees seek nominations for the individuals having regard to any specific skills needed.

c. Organisational structure and decision-making policies

The board of trustees meet regularly to discuss the development of the Trust along with finance and issues relevant to the running of the Trust. The day to day operations of the charity are managed by the Secretary who has delegated authority, within the terms of delegation approved by the trustees, for all operational matters.

d. Policies adopted for the induction and training of Trustees

New trustees are fully briefed by the Secretary with regard to their legal obligations under the charities legislation, the content of the Trust Deed, the decision making processes and recent financial performance. Trustees are encouraged to attend appropriate external training events where they will facilitate the undertaking of their role.

e. Related party relationships

The Trust continues to maintain its close relationship with the General Federation of Trade Unions whose principal activity is to provide services to members of affiliated trade unions. The Federation has confirmed its continuing support in order that the Trust can carry out its charitable objectives.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2022

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

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

Sarah Woolley

S Woolley
(Chair of Trustees)

Date: 05/05/2023

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust

Opinion

Based on our understanding of the entity, we identify the key laws and regulations affecting the charity to be the charities SORP. have audited the financial statements of General Federation of Trade Unions Educational Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Trust 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 charity's affairs as at 31 December 2022 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 Charities Act 2011.

Basis for opinion

Based on our understanding of the entity, we identify the key laws and regulations affecting the charity to be the charities SORP. conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. Based on our understanding of the entity, we identify the key laws and regulations affecting the charity to be the charities SORP. 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. Based on our understanding of the entity, we identify the key laws and regulations affecting the charity to be the charities SORP. 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.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Based on our understanding of the entity, we identify the key laws and regulations affecting the charity to be the charities SORP. have nothing to report in this regard.

Matters on which we are required to report by exception

Based on our understanding of the entity, we identify the key laws and regulations affecting the charity to be the charities SORP. have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Auditors' responsibilities for the audit of the financial statements

Based on our understanding of the entity, we identify the key laws and regulations affecting the charity to be the charities SORP. have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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. Based on our understanding of the entity, we identify the key laws and regulations affecting the charity to be the charities SORP. design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions.

We focussed on those areas that could give rise to a material misstatement in the charity's financial statements. Our procedures included, but were not limited to:

- enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- reviewing minutes of meetings of those charged with governance where available;
- reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular the assumptions used in relation to the defined benefit pension scheme and investment property valuations.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Use of our report

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

PKF Smith Cooper Audit Limited

PKF Smith Cooper Audit Limited

Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Date: 8 May 2023

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Consolidated Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Income received from GFTU		-	250,000	250,000	200,000
Trading activities:					
Hotel		1,657,186	-	1,657,186	1,203,456
HMRC Covid-19 grants received		6,000	-	6,000	197,442
Investment income		-	66	66	4
Other income		-	114,190	114,190	121,287
Total income		1,663,186	364,256	2,027,442	1,722,189
Expenditure on:					
Trading activities					
Hotel		1,550,975	-	1,550,975	1,168,064
Day Nursery		-	-	-	(5,300)
Charitable activities	3	-	426,727	426,727	441,740
Total expenditure		1,550,975	426,727	1,977,702	1,604,504
Net income/(expenditure) before net gains on investments		112,211	(62,471)	49,740	117,685
Gain on revaluation of investment property		-	49,500	49,500	75,000
Net income/(expenditure) before taxation		112,211	(12,971)	99,240	192,685
Taxation		-	-	-	38,000
Net movement in funds		112,211	(12,971)	99,240	230,685
Reconciliation of funds:					
Total funds brought forward		1,303,393	(533,778)	769,615	538,930
Net movement in funds		112,211	(12,971)	99,240	230,685
Total funds carried forward		1,415,604	(546,749)	868,855	769,615

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

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST
Registered number: 313439

**Consolidated balance sheet
as at 31 December 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	4,674,430	4,798,454
Investment property	11	2,410,000	2,360,000
		<u>7,084,430</u>	<u>7,158,454</u>
Current assets			
Stocks		10,866	7,202
Debtors	13	141,983	182,557
Cash at bank and in hand		178,408	272,619
		<u>331,257</u>	<u>462,378</u>
Creditors: amounts falling due within one year	14	(6,546,832)	(6,851,217)
Net current liabilities		<u>(6,215,575)</u>	<u>(6,388,839)</u>
Total assets less current liabilities		<u>868,855</u>	<u>769,615</u>
Total net assets		<u><u>868,855</u></u>	<u><u>769,615</u></u>
Charity funds			
Restricted funds	15	1,415,604	1,303,393
Unrestricted funds	15	(546,749)	(533,778)
Total funds		<u><u>868,855</u></u>	<u><u>769,615</u></u>

The Trust was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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:

Sarah Woolley

S Woolley

(Chair of Trustees)

Date: 05/05/2023

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST
Registered number: 313439

**Trust balance sheet
as at 31 December 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	4,437,203	4,608,643
Investments	12	2	2
Investment property	11	2,410,000	2,360,000
		<u>6,847,205</u>	<u>6,968,645</u>
Current assets			
Debtors	13	894,266	889,813
Cash at bank and in hand		96,885	104,053
		<u>991,151</u>	<u>993,866</u>
Creditors: amounts falling due within one year	14	(6,177,864)	(6,331,440)
Net current liabilities		<u>(5,186,713)</u>	<u>(5,337,574)</u>
Total assets less current liabilities		<u>1,660,492</u>	<u>1,631,071</u>
Total net assets		<u><u>1,660,492</u></u>	<u><u>1,631,071</u></u>
Charity funds			
Restricted funds	15	2,052,351	2,052,351
Unrestricted funds	15	(391,859)	(421,280)
Total funds		<u><u>1,660,492</u></u>	<u><u>1,631,071</u></u>

The Trust was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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:

Sarah Woolley

S Woolley

(Chair of Trustees)

Date: 05/05/2023

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

1.1 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), the Charities Act 2011 and applicable regulations.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Trust and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. No separate statement of financial activities is presented for the parent undertaking in accordance with UK GAAP.

The financial statements are presented in sterling which is the functional currency of the Group and are rounded to the nearest £1.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

As at 31 December 2022, the Trust owed £6,225k to its related undertaking the General Federation of Trade Unions (GFTU). No terms and conditions are attached to the balances due, but the GFTU has agreed not to seek repayment of the amounts for a minimum of 12 months from the date of approval of the financial statements. Furthermore, the Trust continues to receive operational and financial support from the GFTU, as it has done for many years and the GFTU have confirmed that it will continue to be the case.

In turn the Trust is owed £857k by its subsidiary undertaking, the GFTUET Trading Company. Based on the budgets and cashflow forecasts for the Trading Company, and Trust are expecting partial repayment of amounts due.

Having due regard to the ongoing support of the wider GFTU family of entities and forecast financial information, the Trustees are satisfied that the Company is a going concern for a minimum of twelve months from the date of approval of the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Management charges is recognised in the year it is receivable.

Income from hotel trading activities represents fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue from the sale of food and drink is recognised at point of sale. Revenue from accommodation, events and room hire is recognised over the period to which the services relate.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. No expenditure is netted off incoming resources. All costs have been attributed to the functional categories of resources expended in the Statement of Financial Activities.

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

Governance costs comprise all costs involving the accountability of the Group and its compliance with regulation and good practice. These costs include costs relating to statutory audit and professional fees together with an apportionment of overheads and support costs.

Costs of hotel and training company trading activities comprise cost of sales, establishment, employment, administration, depreciation and financial costs of generating the income from hotel trading activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust 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.

Subsidiary undertakings are liable to Corporation and Capital Gains Tax.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies (continued)

1.6 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 provided on the following bases:

Land and buildings	- 2% straight line
Improvements to property	- 15% reducing balance
Fixtures, fittings and equipment	- 15% reducing balance or 33% straight line

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.

1.7 Investment property

Investment properties are initially measured at cost and subsequently remeasured to fair value at each reporting date. Changes in fair value are recognised in the SOFA.

1.8 Investments

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

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Financial Activities.

1.10 Debtors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies (continued)

1.12 Pensions

Defined contribution scheme

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

Defined benefit scheme

Certain members of staff have joint contracts of employment with this entity and the General Federations of Trade Unions (GFTU) and have participated in the Defined Benefit Pension Scheme (DBPS) operated by the GFTU. However, the GFTU is the only admitted body to the DBPS and no financial commitments exist in respect of ongoing contributions to be made by the Trust to the scheme, these are solely the responsibility of the GFTU. Therefore, the actuarial impact of the DBPS is reflected in the financial statements of the GFTU only.

The pension costs of the staff who work for the Trust are charged to the income and expenditure account as they become payable.

1.13 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 Trust 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.

Tangible Fixed Assets

Management judgement is required in assessing the fair value of tangible fixed assets, including the future economic benefit expected to be generated by those assets. Specifically, the investment made in the purchase and refurbishment of the hotel, operated by the Trust's subsidiary undertaking. The assessment of the useful economic life and method of depreciating those assets also requires judgement.

Depreciation is charged to the SoFA based on the useful economic life selected of 50 years, which is the period over which the Trust expects to consume the economic benefits of the hotel. Depreciation is charged based on the difference between the cost and residual value of the asset. The residual value of the asset is based on a professional third party valuation.

As at 31 December 2022 the carrying value of the asset was £3,911,703 and the depreciation charge for the year was £29,116.

In the Trustees opinion no impairment is required of the asset following an impairment review.

Investment Properties

The Trust carries its investment properties at fair value, with changes in fair value being recognised in the SoFA. The Trust engages a local independent estate agent to determine the fair value of the properties, due to the availability of comparable market data.

3. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	<i>Total 2021 £</i>
Education	426,727	426,727	441,740
<i>Total 2021</i>	441,740	441,740	

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

4. Analysis of expenditure by activities

	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	426,727	426,727	441,740
<i>Total 2021</i>	441,740	441,740	

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	235,708	230,854
Depreciation	68,092	36,028
Occupancy costs	30,640	14,989
Other costs	84,137	153,369
Governance costs	8,150	6,500
	426,727	441,740

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

5. Educational Trust statement of financial activities

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income				
Income received from GFTU	-	250,000	250,000	200,000
Quorn Grange Hotel rent	-	54,000	54,000	54,000
MEWS housing rent	-	106,883	106,883	101,433
Other rent	-	5,056	5,056	4,326
Other income	-	20,607	20,607	25,375
	<u>-</u>	<u>436,546</u>	<u>436,546</u>	<u>385,134</u>
Expenditure				
Staff costs	-	235,708	235,708	230,854
Depreciation	-	68,092	68,092	36,028
Occupancy costs	-	30,640	30,640	14,989
Other costs	-	114,035	114,035	171,103
Governance costs	-	8,150	8,150	6,500
	<u>-</u>	<u>456,625</u>	<u>456,625</u>	<u>459,474</u>
Net income before net gains on investments	-	- 20,079	- 20,079	(74,340)
Gain on revaluation of investment property	-	49,500	49,500	75,000
	<u>-</u>	<u>29,421</u>	<u>29,421</u>	<u>660</u>
Net movement in funds	<u>-</u>	<u>29,421</u>	<u>29,421</u>	<u>660</u>
Reconciliation of funds:				
Total funds brought forward	2,052,351	(421,280)	1,631,071	1,630,411
Net movement in funds	-	29,421	29,421	660
Total funds carried forward	<u>2,052,351</u>	<u>(391,859)</u>	<u>1,660,492</u>	<u>1,631,071</u>

6. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	<u>8,150</u>	<u>6,500</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

7. Staff costs

	Group 2022 £	<i>Group 2021 £</i>	Trust 2022 £	<i>Trust 2021 £</i>
Wages and salaries	999,640	<i>778,292</i>	193,671	<i>189,833</i>
Social security costs	20,039	<i>51,831</i>	20,039	<i>18,544</i>
Pension costs	21,998	<i>34,957</i>	21,998	<i>22,477</i>
	1,041,677	<i>865,080</i>	235,708	<i>230,854</i>

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

	Group 2022 No.	<i>Group 2021 No.</i>	Trust 2022 No.	<i>Trust 2021 No.</i>
Research and education officers	1	<i>1</i>	1	<i>1</i>
Administration	7	<i>8</i>	7	<i>8</i>
Hotel staff	46	<i>39</i>	-	<i>-</i>
	54	<i>48</i>	8	<i>9</i>

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

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	1	<i>1</i>

Key management personnel remuneration during the year totalled £72,563 for short-term employment benefits and £13,460 for post-employment benefits.

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

9. Intangible assets

Group and Trust

	Goodwill £
Cost	
At 1 January 2022	1
At 31 December 2022	1
Amortisation	
At 1 January 2022	1
At 31 December 2022	1
Net book value	
At 31 December 2022	-
<i>At 31 December 2021</i>	-

The goodwill arose on the purchase of the Quorn Grange Hotel investment property in 2012.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2022**

10. Tangible fixed assets

Group

	Land and buildings £	Property improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2022	4,424,826	376,109	691,217	5,492,152
Additions	-	43,984	19,579	63,563
Disposals	(106,706)	(22,296)	(33,182)	(162,184)
At 31 December 2022	<u>4,318,120</u>	<u>397,797</u>	<u>677,614</u>	<u>5,393,531</u>
Depreciation				
At 1 January 2022	15,092	293,883	384,723	693,698
Charge for the year	36,662	20,963	51,840	109,465
On disposals	-	(34,863)	(49,199)	(84,062)
At 31 December 2022	<u>51,754</u>	<u>279,983</u>	<u>387,364</u>	<u>719,101</u>
Net book value				
At 31 December 2022	<u><u>4,266,366</u></u>	<u><u>117,814</u></u>	<u><u>290,250</u></u>	<u><u>4,674,430</u></u>
At 1 January 2022	<u><u>4,409,734</u></u>	<u><u>82,226</u></u>	<u><u>306,494</u></u>	<u><u>4,798,454</u></u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

10. Tangible fixed assets (continued)

Trust

	Freehold property £	Property improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2022	4,424,826	6,811	374,261	4,805,898
Additions	-	-	3,358	3,358
Disposals	(106,706)	-	-	(106,706)
At 31 December 2022	4,318,120	6,811	377,619	4,702,550
Depreciation				
At 1 January 2022	15,092	4,949	177,214	197,255
Charge for the year	36,662	279	31,151	68,092
At 31 December 2022	51,754	5,228	208,365	265,347
Net book value				
At 31 December 2022	4,266,366	1,583	169,254	4,437,203
At 1 January 2022	4,409,734	1,862	197,047	4,608,643

11. Investment property

Group and Trust

	Freehold investment property £
Valuation	
At 1 January 2022	2,360,000
Additions	500
Surplus on revaluation	49,500
At 31 December 2022	2,410,000

The investment property was revalued on 31 December 2022 by Berkley Estates, based on market value.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

12. Fixed asset investments

	Investments in subsidiary companies £
Trust	
Cost and net book value	
At 1 January 2022	2
At 31 December 2022	<u>2</u>

Principal subsidiaries

The following were subsidiary undertakings of the Trust:

Names	Principal activity	Class of shares	Holding	Included in consolidation
GFTUET Trading Company Limited	Quorn Grange Hotel	Ordinary	100%	Yes
Albion Education and Training Ltd	Dormant	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Profit/(Loss) for the year £	Net assets £
GFTUET Trading Company Limited	69,817	(792,917)
Albion Education and Training Ltd	-	1,286

The registered office of the subsidiary undertakings is the same as that of the parent charity.

The subscribers to the shares of GFTUET Trading Company Limited are D Nicholls and J Fray, trustees to the Trust and the Trust is the beneficial owner of those shares. Albion Education and Training Ltd is a wholly owned subsidiary of GFTUET Trading Company Limited.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

13. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Trust 2022 £	<i>Trust 2021 £</i>
Due within one year				
Trade debtors	52,851	<i>44,598</i>	945	<i>2,203</i>
Amounts owed by group undertakings	-	-	856,787	<i>839,807</i>
Other debtors	43,888	<i>90,646</i>	29,290	<i>38,490</i>
Prepayments and accrued income	7,244	<i>9,313</i>	7,244	<i>9,313</i>
Deferred taxation	38,000	<i>38,000</i>	-	-
	141,983	<i>182,557</i>	894,266	<i>889,813</i>

14. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Trust 2022 £	<i>Trust 2021 £</i>
Amounts due to GFTU	6,225,459	<i>6,396,295</i>	6,161,661	<i>6,210,319</i>
Trade creditors	115,631	<i>99,992</i>	6,356	<i>3,266</i>
Other taxation and social security	66,710	<i>50,099</i>	-	-
Accruals and deferred income	139,032	<i>304,831</i>	9,847	<i>117,855</i>
	6,546,832	<i>6,851,217</i>	6,177,864	<i>6,331,440</i>

Amounts due to the GFTU are classified within one year in absence of a formal loan agreement between the two parties and is therefore technically repayable on demand. However, the GFTU have confirmed that there is no expectation that amounts would need to be repaid in the foreseeable future.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds					
General reserve fund	(948,225)	364,256	(426,727)	-	(1,010,696)
Revaluation reserve	414,447	-	-	49,500	463,947
	<u>(533,778)</u>	<u>364,256</u>	<u>(426,727)</u>	<u>49,500</u>	<u>(546,749)</u>
Restricted funds					
Restricted reserve fund - investment	<u>1,303,393</u>	<u>1,663,186</u>	<u>(1,550,975)</u>	<u>-</u>	<u>1,415,604</u>
Total of funds	<u><u>769,615</u></u>	<u><u>2,027,442</u></u>	<u><u>(1,977,702)</u></u>	<u><u>49,500</u></u>	<u><u>868,855</u></u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
General reserve fund	(827,776)	321,291	(441,740)	-	-	(948,225)
Revaluation reserve	339,447	-	-	-	75,000	414,447
	<u>(488,329)</u>	<u>321,291</u>	<u>(441,740)</u>	<u>-</u>	<u>75,000</u>	<u>(533,778)</u>
Restricted funds						
Restricted reserve fund - investment	<u>1,027,259</u>	<u>1,400,898</u>	<u>(1,162,764)</u>	<u>38,000</u>	<u>-</u>	<u>1,303,393</u>
Total of funds	<u>538,930</u>	<u>1,722,189</u>	<u>(1,604,504)</u>	<u>38,000</u>	<u>75,000</u>	<u>769,615</u>

Restricted reserve fund - investment

The Trustees consider the capital element of the exceptional Gift Aid received in 2005 amounting to £3,000,000 should be treated as a restricted fund on the grounds that whilst the income from this capital fund can be used in accordance with charitable objectives set out in the trust deed, the capital fund itself cannot be expended. Accordingly the Statement of Financial Activities on page 9 has been presented to separately disclose the restricted funds is made each year to maintain the capital element of the 2005 exceptional Gift Aid at its market value.

During 2012 the Trust disposed of its managed investments portfolio and used the realised proceeds to purchase a hotel property and a limited company to operate the hotel business. As such, the income and expenditure from the hotel trading activities, and any realised or unrealised gain/(loss) on revaluation is treated as restricted funds in the Consolidated Statement of Financial Activities. During 2014 a training company was incorporated as a subsidiary of the hotel trading company and, as such, the income and expenditure from the training company trading activities is treated in the same manner.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,588,961	3,085,469	4,674,430
Investment property	-	2,410,000	2,410,000
Current assets	157,611	135,646	293,257
Creditors due within one year	(368,968)	(6,177,864)	(6,546,832)
Deferred tax asset	38,000	-	38,000
Total	1,415,604	(546,749)	868,855

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	2,355,944	2,442,510	4,798,454
Investment property	-	2,360,000	2,360,000
Current assets	253,545	170,833	424,378
Creditors due within one year	(1,344,096)	(5,507,121)	(6,851,217)
Provisions for liabilities and charges	38,000	-	38,000
Total	1,303,393	(533,778)	769,615

17. Operating lease commitments

At 31 December 2022 the Group and the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group 2021 £</i>	Trust 2022 £	<i>Trust 2021 £</i>
Not later than 1 year	6,299	2,599	5,294	2,599
Later than 1 year and not later than 5 years	3,336	3,465	3,336	3,465
	9,635	6,064	8,630	6,064

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2022

18. Related party transactions

The Educational Trust was established by the General Federation of Trade Unions (GFTU) and continues to be supported financially by it.

During the year management charges of £250,000 (2021: £200,000) were paid by GFTU to the Trust. GFTU also recharged employment costs of £235,708 (2021: £231,741) and other expenses of £8,985 (2021: £16,047) to the Trust.

At the balance sheet date an amount of £6,225,459 (2021: £6,396,295) was due to GFTU from the Trust.

Accounts

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report and financial statements

for the year ended 31 December 2021

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Contents

	Page
Reference and administrative details of the Trust, its Trustees and advisers	1
Trustees' report	2 - 5
Independent auditors' report on the financial statements	6 - 9
Consolidated statement of financial activities	10
Consolidated balance sheet	11
Trust balance sheet	12
Notes to the financial statements	13 - 29

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Reference and administrative details of the Trust, its Trustees and advisers for the year ended 31 December 2021

Trustees	S Woolley, Chair B Richards S Parkinson E Nicholson N Rae A Pratten S Orchard L Ambler J Westerman CBE A Prochaska M Sanders M Bennett
Company registered number	313439
Registered office	86 Wood Lane Quorn Leicestershire LE12 8DB
Company secretary	D Nicholls
Independent auditors	PKF Smith Cooper Audit Limited Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report for the year ended 31 December 2021

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2021.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and activities

a. Policies and objectives

The principal objective of the Trust is to provide educational courses and seminars for the individual members of the trade unions that are affiliated trade unions. It also produces publications and carries out project work in support of these activities and for the wider benefit of the community.

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)'.

Achievements and performance

a. Main achievements of the Trust and review of activities

There were five overriding priorities this year:

1. To ensure that our subsidiary company developed new business post the worst of the Covid lockdown and started to repay loans provided to it during the pandemic.
2. To continue to seek the engagement of a development officer/fundraiser for the Trust.
3. To sustain our education programme.
4. To recruit and induct new enthusiastic Trustees.
5. To ensure 100% occupancy of the rental housing.

We consider that we have been successful in achieving four of these priorities.

Thanks to new and successful leadership and management from the Hotel General Manager Andrea O'Dwyer pandemic loans have been repaid and regular payments into the Trust have been resumed, and the profit targets envisaged at the point of new build are still realised within the Hotel budget.

Our education offer, inevitably over this period more online and hybrid has been extensive, but the take up not always as we would have wished. We were successful in at last engaging many learners in our exciting history programme organised jointly with the Workers Education Association. Many of our online seminars on particular topics have proved successful and our professional development forum for union education officers has proved continually popular. Our fringe meeting at the TUC was the largest ever. Our pioneering conference to bring community organisations and trade unions together was very successful and has led to ongoing monthly meetings and new thinking around this whole area of work. The Young members' development weekend remains a high quality and enjoyable feature of our annual programme and many thanks to Sarah Woolley, Ben Richards, and Daniel Warren for organising it so well.

We have said a fond farewell to Trustees Melantha Chittenden, Dami Benbow and Antoinetta Torselliano, and during the year had productive discussions to welcome new Trustees Simon Parkinson, Margaret Bennett, Edda Nicolson and Ben Richards to join us from the end of the year.

Cecile Henry Martin has managed our rental properties effectively and we have retained 100% occupancy with no voids throughout the year.

We have not been as successful as would have wished despite strenuous head hunting and advertising campaigns in finding a development officer/fund raiser to work with us. Two part time freelance appointments did not work out. We have continued to prioritise this work and established a progress group to focus on it.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2021

Achievements and performance (continued)

The Trusts additional income generating schemes through the Win Win services have been widely promoted through a new monthly newsletter. We agreed to add an ethical lottery scheme to this suite of services called Union Lotto which can hopefully raise a steady income stream.

We have maintained our interest in developing a sculptural project at Quorn, our publishing venture Workable Books which has received several interesting proposal for publication.

We have written to all agricultural and horticultural colleges to seek interest in supporting us in the creation of a market garden/educational project at Quorn.

Our contribution through a range of partnerships and events to developing thinking about the future of adult education, including at our TUC Fringe meeting, has made a recognised contribution to this vital debate. A verbatim transcript of our BGCM debate on education is available. This was a pivotal debate about the future of adult education in Britain.

Our four year sponsorship of a PhD on aspects of the history of the GFTU by Edda Nicolson has come to an end and we are delighted that Edda has been able to join the Trustees.

Our previous sponsorship of the political literacy project Shout Out and ongoing support have developed well and we are pleased that there is now an All Party Parliamentary Group on this subject.

Formal occupancy licenses for the land and buildings have been drafted but remain to be negotiated in place.

New auditors have been appointed in PKF Smith Cooper.

Financial review

a. Financial review

The results of the year are set out in the consolidated Statement of Financial Activities on page 10 and show a surplus of £230,685 (2020: £253,906 surplus as restated). The group had net assets of £769,615 (2020: £538,930 as restated) as shown on the Balance Sheet on page 11, represented by a restricted fund surplus of £1,303,393 (2020: £1,027,259 as restated) and an unrestricted fund deficit of £533,778 (2020: £488,329 as restated).

The trust continues to be, in part, financially supported by the Federation, which maintains adequate resources to fund the Trust's operations through the payment of a management charge. The Federation has assured the Trustees that it expects to maintain these payments to the Trust at a sufficient level to enable the Trust to continue its current activities.

In 2021 the General Federation of Trade Unions had a deficit of £23,146 (2020: £355,379 deficit) and showed a surplus before the payment of management charges to the Trust of £176,854 (2020: £44,621).

b. Reserves policy

The Trust has two funds, the General Reserve Fund, which the Trustees are free to use in accordance with the charitable objectives set out in the Trust Deed and the Restricted Reserve fund, which can only be used to fund the specific projects undertaken by the Trust. The Restricted Fund also includes the sum of £3,000,000, which the Trust is required to maintain under the terms of exceptional Gift Aid donated by the Federation in 2005. The Executive Committee of the Federation has varied the terms of the restriction to take account of fluctuations in the value of underlying investments. There is no governing requirement to hold a specific level of General Reserve, due to the financial support of the Trust by the General Federation of Trade Unions. At present the General Reserve stands at £533,778 deficit (2020: £488,329 deficit as restated). The Trust's policy is to achieve positive general reserves over the medium term.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2021

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the financing of the Trust and its dependence on payments from the Federation. The Trustees are satisfied that all possible steps have been taken to mitigate those risks. The risks and opportunities facing the trust in this sector have been under constant review.

Structure, governance and management

a. Constitution

The Trust, an unincorporated organisation, charity number 313439, is a recognised charity, operated under the rules of its Trust Deed dated 29 October 1970. The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed (as amended). The General Federation of Trade Unions has the power to appoint the Trustees, subject to there not being a majority of Trustees who are also officers, employees or Trustees of the Federation. The Trustees have reviewed the application and relevance of the Trust deed and made no amendments. Developments in legislation and guidance from the Charity Commissioners have been considered.

b. Methods of appointment or election of Trustees

The Trust Deed provides that the General Federation of Trade Unions may appoint trustees, subject to there being a majority of independent trustees. Should a vacancy for an independent trustee occur, the Trustees seek nominations for the individuals having regard to any specific skills needed.

c. Organisational structure and decision-making policies

The board of trustees meet regularly to discuss the development of the Trust along with finance and issues relevant to the running of the Trust. The day to day operations of the charity are managed by the Secretary who has delegated authority, within the terms of delegation approved by the trustees, for all operational matters.

d. Policies adopted for the induction and training of Trustees

New trustees are fully briefed by the Secretary with regard to their legal obligations under the charities legislation, the content of the Trust Deed, the decision making processes and recent financial performance. Trustees are encouraged to attend appropriate external training events where they will facilitate the undertaking of their role.

e. Related party relationships

The Trust continues to maintain its close relationship with the General Federation of Trade Unions whose principal activity is to provide services to members of affiliated trade unions. The Federation has confirmed its continuing support in order that the Trust can carry out its charitable objectives.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2021

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments 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.

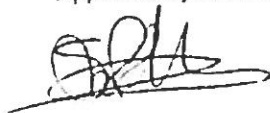
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

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



S Woolley
(Chair of Trustees)

Date: 27/09/2022

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust

Opinion

We have audited the financial statements of General Federation of Trade Unions Educational Trust (the 'parent charity company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Trust balance sheet, 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 charity's affairs as at 31 December 2021 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 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 Auditors' 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 charity'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.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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. Based on our understanding of the entity, we identify the key laws and regulations affecting the charity to be the charities SORP. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions.

We focussed on those areas that could give rise to a material misstatement in the charity's financial statements. Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular the assumptions used in relation to the defined benefit pension scheme and investment property valuations.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Use of our report

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

PKF Smith Cooper Audit Limited

PKF Smith Cooper Audit Limited

Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Date: 3 October 2022

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Consolidated Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2021**

		Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
	Note				
Income from:					
Management charges received from GFTU		-	200,000	200,000	400,000
Charitable activities		-	-	-	3,049
Trading activities:					
Hotel		1,203,456	-	1,203,456	614,361
HMRC Covid-19 grants received		197,442	-	197,442	344,550
Investment income		-	4	4	17
Other income		-	121,287	121,287	117,387
Total income		1,400,898	321,291	1,722,189	1,479,364
Expenditure on:					
Trading activities:					
Hotel		1,168,064	-	1,168,064	1,168,091
Day Nursery		(5,300)	-	(5,300)	-
Charitable activities	2	-	441,740	441,740	396,814
Total expenditure		1,162,764	441,740	1,604,504	1,564,905
Net income/(expenditure) before net gains on investments		238,134	(120,449)	117,685	(85,541)
Gain on revaluation of investment property	9	-	75,000	75,000	339,447
Net income/(expenditure) before taxation		238,134	(45,449)	192,685	253,906
Taxation		38,000	-	38,000	-
Net movement in funds	14	276,134	(45,449)	230,685	253,906
Reconciliation of funds:					
Total funds brought forward	14	1,027,259	(488,329)	538,930	285,024
Net movement in funds	14	276,134	(45,449)	230,685	253,906
Total funds carried forward	14	1,303,393	(533,778)	769,615	538,930

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

The notes on pages 13 to 29 form part of these financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST
Registered number: 313439

**Consolidated balance sheet
as at 31 December 2021**

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	8	4,798,454	4,882,354
Investment property	9	2,360,000	2,285,000
		<u>7,158,454</u>	<u>7,167,354</u>
Current assets			
Stocks		7,202	4,966
Debtors	11	182,557	237,580
Cash at bank and in hand		272,619	92,276
		<u>462,378</u>	<u>334,822</u>
Creditors: amounts falling due within one year	12	(6,851,217)	(6,963,246)
Net current liabilities		<u>(6,388,839)</u>	<u>(6,628,424)</u>
Total assets less current liabilities		<u>769,615</u>	<u>538,930</u>
Total net assets		<u><u>769,615</u></u>	<u><u>538,930</u></u>
Charity funds			
Restricted funds	14	1,303,393	1,027,259
Unrestricted funds	14	(533,778)	(488,329)
Total funds		<u><u>769,615</u></u>	<u><u>538,930</u></u>

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



S Woolley
Chair of Trustees

Date 27/09/2022.

The notes on pages 13 to 29 form part of these financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST
Registered number: 313439

**Trust balance sheet
as at 31 December 2021**

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	8	4,608,643	4,652,192
Investments	10	2	2
Investment property	9	2,360,000	2,285,000
		<u>6,968,645</u>	<u>6,937,194</u>
Current assets			
Debtors	11	889,813	970,903
Cash at bank and in hand		104,053	62,095
		<u>993,866</u>	<u>1,032,998</u>
Creditors: amounts falling due within one year	12	(6,331,440)	(6,339,781)
Net current liabilities		<u>(5,337,574)</u>	<u>(5,306,783)</u>
Total assets less current liabilities		<u>1,631,071</u>	<u>1,630,411</u>
Total net assets		<u>1,631,071</u>	<u>1,630,411</u>
Charity funds			
Restricted funds	14	2,052,351	2,052,351
Unrestricted funds	14	(421,280)	(421,940)
Total funds		<u>1,631,071</u>	<u>1,630,411</u>

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



S Woolley
Chair of Trustees

Date: 27/09/2022

The notes on pages 13 to 29 form part of these financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

1.1 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), the Charities Act 2011 and applicable regulations.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Trust and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. No separate statement of financial activities is presented for the parent undertaking in accordance with UK GAAP.

The financial statements are presented in sterling which is the functional currency of the Group and are rounded to the nearest £1.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

As at 31 December 2021, the Trust owed £6,396k to its related undertaking the General Federation of Trade Unions (GFTU). No terms and conditions are attached to the balances due, but the GFTU has agreed not to seek repayment of the amounts for a minimum of 12 months from the date of approval of the financial statements. Furthermore, the Trust continues to receive operational and financial support from the GFTU, as it has done for many years and the GFTU have confirmed that it will continue to be the case.

In turn the Trust is owed £839k by its subsidiary undertaking, the GFTUET Trading Company. Based on the budgets and cashflow forecasts for the Trading Company, and Trust are expecting partial repayment of amounts due.

Having due regard to the ongoing support of the wider GFTU family of entities and forecast financial information, the Trustees are satisfied that the Company is a going concern for a minimum of twelve months from the date of approval of the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gift Aid is recognised in the year it is receivable.

Income from hotel trading activities represents fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue from the sale of food and drink is recognised at point of sale. Revenue from accommodation, events and room hire is recognised over the period to which the services relate.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. No expenditure is netted off incoming resources. All costs have been attributed to the functional categories of resources expended in the Statement of Financial Activities.

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

Governance costs comprise all costs involving the accountability of the Group and its compliance with regulation and good practice. These costs include costs relating to statutory audit and professional fees together with an apportionment of overheads and support costs.

Costs of hotel and training company trading activities comprise cost of sales, establishment, employment, administration, depreciation and financial costs of generating the income from hotel trading activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust 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.

Subsidiary undertakings are liable to Corporation and Capital Gains Tax.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies (continued)

1.6 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 provided on the following bases:

Land and buildings	- 2% straight line
Improvements to property	- 15% reducing balance
Fixtures, fittings and equipment	- 15% reducing balance or 33% straight line

Certain land and buildings are not depreciated as in the Trustees' opinion the difference between the residual value and the original cost would result in an immaterial charge to depreciation.

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.

1.7 Investment property

Investment properties are initially measured at cost and subsequently remeasured to fair value at each reporting date. Changes in fair value are recognised in the SOFA.

1.8 Investments

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

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Financial Activities.

1.10 Debtors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies (continued)

1.12 Pensions

Defined contribution scheme

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

Defined benefit scheme

Certain members of staff have joint contracts of employment with this entity and the General Federations of Trade Unions (GFTU) and have participated in the Defined Benefit Pension Scheme (DBPS) operated by the GFTU. However, the GFTU is the only admitted body to the DBPS and no financial commitments exist in respect of ongoing contributions to be made by the Trust to the scheme, these are solely the responsibility of the GFTU. Therefore, the actuarial impact of the DBPS is reflected in the financial statements of the GFTU only.

The pension costs of the staff who work for the Trust are charged to the income and expenditure account as they become payable.

1.13 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	441,740	441,740	396,814
<i>Total 2020</i>	396,814	396,814	

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

3. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	-	441,740	441,740	396,814
<i>Total 2020</i>	26,632	370,182	396,814	

Analysis of support costs

	Total funds 2021 £	As restated Total funds 2020 £
Staff costs	230,854	196,881
Depreciation	36,028	41,054
Occupancy costs	14,989	27,136
Other costs	153,369	97,236
Governance costs	6,500	7,875
	441,740	370,182

4. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	6,500	13,500

5. Staff costs

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Wages and salaries	778,292	908,138	189,833	165,343
Social security costs	51,831	34,751	18,544	14,832
Pension costs	34,957	26,072	22,477	16,706
	865,080	968,961	230,854	196,881

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

5. Staff costs (continued)

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

	Group 2021 No.	<i>Group 2020 No.</i>	Trust 2021 No.	<i>Trust 2020 No.</i>
Research and education officers	1	1	1	1
Administration	8	10	8	10
Hotel staff	39	54	-	-
	48	65	9	11

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1

Key management personnel remuneration during the year totalled £60,436 for short-term employment benefits and £12,871 for post-employment benefits.

6. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2021**

7. Intangible assets

Group and Trust

	Goodwill £
Cost	
At 1 January 2021	1
At 31 December 2021	<u>1</u>
Amortisation	
At 1 January 2021	1
At 31 December 2021	<u>1</u>
Net book value	
At 31 December 2021	<u>-</u>
<i>At 31 December 2020</i>	<u>-</u>

The goodwill arose on the purchase of the Quorn Grange Hotel investment property in 2012.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2021**

8. Tangible fixed assets

Group

	Land and buildings £	Property improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2021 (as restated)	4,425,787	379,434	719,124	5,524,345
Additions	-	-	12,438	12,438
Disposals	(961)	(3,325)	(40,345)	(44,631)
At 31 December 2021	<u>4,424,826</u>	<u>376,109</u>	<u>691,217</u>	<u>5,492,152</u>
Depreciation				
At 1 January 2021 (as restated)	7,546	278,488	355,957	641,991
Charge for the year	7,546	17,579	59,540	84,665
On disposals	-	(2,184)	(30,774)	(32,958)
At 31 December 2021	<u>15,092</u>	<u>293,883</u>	<u>384,723</u>	<u>693,698</u>
Net book value				
At 31 December 2021	<u>4,409,734</u>	<u>82,226</u>	<u>306,494</u>	<u>4,798,454</u>
At 1 January 2021 (as restated)	<u>4,418,241</u>	<u>100,946</u>	<u>363,167</u>	<u>4,882,354</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2021**

8. Tangible fixed assets (continued)

Trust

	Freehold property £	Property improvements £	Plant and machinery £	Total £
Cost				
At 1 January 2021 (as restated)	4,425,787	6,811	373,056	4,805,654
Additions	-	-	1,205	1,205
Disposals	(961)	-	-	(961)
At 31 December 2021	4,424,826	6,811	374,261	4,805,898
Depreciation				
At 1 January 2021 (as restated)	7,546	4,688	141,228	153,462
Charge for the year	7,546	261	35,986	43,793
At 31 December 2021	15,092	4,949	177,214	197,255
Net book value				
At 31 December 2021	4,409,734	1,862	197,047	4,608,643
At 1 January 2021 (as restated)	4,418,241	2,123	231,828	4,652,192

9. Investment property

Group and Trust

	Freehold investment property £
Valuation	
At 1 January 2021 (as restated)	2,285,000
Surplus on revaluation	75,000
At 31 December 2021	2,360,000

The investment property was revalued on 20 April 2020 by Berkley Estates, based on market value, and further consideration to the appreciation in value made by the Trustees during 2021.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

10. Fixed asset investments

Trust	Investments in subsidiary companies £
Cost and net book value	
At 1 January 2021	2
At 31 December 2021	<u>2</u>

Principal subsidiaries

The following were subsidiary undertakings of the Trust:

Names	Principal activity	Class of shares	Holding	Included in consolidation
GFTUET Trading Company Limited	Quorn Grange Hotel	Ordinary	100%	Yes
Albion Education and Training Ltd	Dormant	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Profit/(Loss) for the year £	Net assets £
GFTUET Trading Company Limited	224,725	(862,738)
Albion Education and Training Ltd	-	1,286

The registered office of the subsidiary undertakings is the same as that of the parent charity.

The subscribers to the shares of GFTUET Trading Company Limited are D Nicholls and J Fray, trustees to the Trust and the Trust is the beneficial owner of those shares. Albion Education and Training Ltd is a wholly owned subsidiary of GFTUET Trading Company Limited.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

11. Debtors

	Group 2021 £	<i>Group As restated 2020 £</i>	Trust 2021 £	<i>Trust As restated 2020 £</i>
Due within one year				
Trade debtors	44,598	41,071	2,203	40,499
Amounts owed by group undertakings	-	-	839,807	797,149
Other debtors	90,646	196,509	38,490	133,255
Prepayments and accrued income	9,313	-	9,313	-
Deferred taxation	38,000	-	-	-
	<u>182,557</u>	<u>237,580</u>	<u>889,813</u>	<u>970,903</u>

12. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group As restated 2020 £</i>	Trust 2021 £	<i>Trust As restated 2020 £</i>
Amounts due to GFTU	6,396,295	6,405,251	6,210,319	6,183,957
Trade creditors	99,992	112,736	3,266	37,381
Other taxation and social security	50,099	99,896	-	-
Other creditors	-	9,563	-	3,937
Accruals and deferred income	304,831	335,800	117,855	114,506
	<u>6,851,217</u>	<u>6,963,246</u>	<u>6,331,440</u>	<u>6,339,781</u>

Amounts due to the GFTU are classified within one year in absence of a formal loan agreement between the two parties and is therefore technically repayable on demand. However, the GFTU have confirmed that there is no expectation that amounts would need to be repaid in the foreseeable future.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

13. Prior year adjustments

Trust

A prior year adjustment has been reflected in respect of costs previously reported as investment properties.

Certain costs capitalised in the year to 31 December 2019 were classified as investment properties when they should have been classified as fixed assets under fixtures and fittings. These have been reclassified as an opening balance sheet adjustment as of 1 January 2020, resulting in a decrease to investment properties of £223,389 and an equivalent increase in fixtures and fittings within fixed assets. They have been depreciated in the year to 31 December 2020, resulting in a decrease to previously reported results of £33,508 and an equivalent decrease to the closing funds. In addition, costs previously capitalised within investment properties have been identified as general expenditure and should not have been capitalised. An opening balance sheet adjustment as of 1 January 2020 has been made to decrease investment properties by £4,817, with an equivalent decrease to opening reserves.

Costs in relation to original purchase and subsequent extension of the Quorn Grange Hotel were classified as investment properties in previous years. The triennial review of FRS 102 in 2017 included a new accounting policy choice in relation to investment property rented to another group entity where entities are allowed to choose to measure such properties at cost rather than report the asset as an investment property. The trustees were not aware of this option and have now taken the decision, in light of this information, to change the accounting policy in relation to the accounting treatment of the asset. This amendment was effective for accounting periods beginning on or after 1 January 2019, therefore the date of transition would have been 1 January 2018 and would have been presented in the 31 December 2019 financial statements. As a result, a prior year adjustment has been made to the financial statements to transfer the property to fixed assets. In the Directors opinion the fair value of the original purchase consideration of £2,035,000 of the hotel was £1,700,000 as at 1 January 2018, based on a recent independent valuation at that time. Therefore a £335,000 reduction in value has been reflected in the financial statements, thereby reducing opening funds accordingly. The remaining cost expended on the extension of the hotel of £2,354,253 has also been transferred to fixed assets from investment properties with no impact on the statement of financial activities, as in the Director's opinion the residual value of the hotel equates to the cost in the balance sheet and therefore no depreciation has been applied.

In addition, costs of £377,301 relating to improvements to the head office building have been transferred to fixed assets from investment properties. Depreciation of £7,546 has been charged for the year ended 31 December 2020, thereby reducing funds accordingly.

Investment properties represent MEWS houses at the Quorn Grange Hotel, which are rented out to tenants. An independent valuation of the MEWS houses was undertaken in 2020 which reported an uplift of £339,447 which was not reflected in the financial statements and therefore a prior year adjustment has been made to reflect the change in value, resulting in an increase in value of investment properties and funds accordingly.

The following accounting errors were also identified in the Trust's financial statements in respect of the year ended 31 December 2020:

- Overstatement of debtors of £111,199 relating to amounts due from subsidiary undertakings which were no longer recoverable.
- Overstatement of other debtors of £28,472 relating to VAT which was not reclaimable.

The reduction of the Trust's reserves brought forward as at 1 January 2021 as a result of these adjustments is £139,671.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

13. Prior year adjustments (continued)

Subsidiaries

The following accounting errors were identified in the financial statements of the Trust's subsidiaries in respect of the year ended 31 December 2020:

- Overstatement of creditors of £111,199 relating to amounts due to the Trust which were no longer recoverable;
- Overstatement of accruals and deferred income of £19,961;
- Overstatement of prepayments of £24,643;
- Understatement of the taxation and social security creditor of £14,854.

The net reduction in the Group's reserves brought forward as at 1 January 2021 as a result of the prior year errors in the Trusts and Trust's subsidiary accounts is £48,008.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2021**

14. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2021 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
General reserve fund	(827,776)	321,291	(441,740)	-	-	(948,225)
Revaluation reserve	339,447	-	-	-	75,000	414,447
	<u>(488,329)</u>	<u>321,291</u>	<u>(441,740)</u>	<u>-</u>	<u>75,000</u>	<u>(533,778)</u>
Restricted funds						
Restricted reserve fund - investment	<u>1,027,259</u>	<u>1,400,898</u>	<u>(1,162,764)</u>	<u>38,000</u>	<u>-</u>	<u>1,303,393</u>
Total of funds	<u><u>538,930</u></u>	<u><u>1,722,189</u></u>	<u><u>(1,604,504)</u></u>	<u><u>38,000</u></u>	<u><u>75,000</u></u>	<u><u>769,615</u></u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

14. Statement of funds (continued)

Statement of funds - prior year

	<i>As restated Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>As restated Expenditure £</i>	<i>As restated Gains/ (Losses) £</i>	<i>As restated Balance at 31 December 2020 £</i>
Unrestricted funds					
General reserve fund	(866,048)	520,453	(482,181)	-	(827,776)
Revaluation reserve	-	-	-	339,447	339,447
	<u>(866,048)</u>	<u>520,453</u>	<u>(482,181)</u>	<u>339,447</u>	<u>(488,329)</u>
Restricted funds					
Restricted reserve fund - investment	<u>1,151,872</u>	<u>958,911</u>	<u>(1,083,524)</u>	<u>-</u>	<u>1,027,259</u>
Total of funds	<u>285,824</u>	<u>1,479,364</u>	<u>(1,565,705)</u>	<u>339,447</u>	<u>538,930</u>

Restricted reserve fund - investment

The Trustees consider the capital element of the exceptional Gift Aid received in 2005 amounting to £3,000,000 should be treated as a restricted fund on the grounds that whilst the income from this capital fund can be used in accordance with charitable objectives set out in the trust deed, the capital fund itself cannot be expended. Accordingly the Statement of Financial Activities on page 9 has been presented to separately disclose the restricted funds is made each year to maintain the capital element of the 2005 exceptional Gift Aid at its market value.

During 2012 the Trust disposed of its managed investments portfolio and used the realised proceeds to purchase a hotel property and a limited company to operate the hotel business. As such, the income and expenditure from the hotel trading activities, and any realised or unrealised gain/(loss) on revaluation is treated as restricted funds in the Consolidated Statement of Financial Activities. During 2014 a training company was incorporated as a subsidiary of the hotel trading company and, as such, the income and expenditure from the training company trading activities is treated in the same manner.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,355,944	2,442,510	4,798,454
Investment property	-	2,360,000	2,360,000
Current assets	253,545	170,833	424,378
Creditors due within one year	(1,344,096)	(5,507,121)	(6,851,217)
Deferred tax asset	38,000	-	38,000
Total	1,303,393	(533,778)	769,615

Analysis of net assets between funds - prior year (as restated)

	Endowment funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	(6,462)	2,429,628	2,459,188	4,882,354
Investment property	-	-	2,285,000	2,285,000
Current assets	6,462	81,535	246,825	334,822
Creditors due within one year	-	(1,483,904)	(5,479,342)	(6,963,246)
Total	-	1,027,259	(488,329)	538,930

16. Operating lease commitments

At 31 December 2021 the Group and the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Trust 2021 £	Trust 2020 £
Not later than 1 year	2,599	2,599	2,599	2,599
Later than 1 year and not later than 5 years	3,465	6,064	3,465	6,064
	6,064	8,663	6,064	8,663

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2021

17. Related party transactions

The Educational Trust was established by the General Federation of Trade Unions (GFTU) and continues to be supported financially by it.

During the year management charges of £200,000 (2020: £400,000) were paid by GFTU to the Trust. GFTU also recharged employment costs of £231,741 (2020: £196,881) to the Trust.

At the balance sheet date an amount of £6,210,319 (2020: £6,183,975) was due to GFTU from the Trust.

Accounts

REGISTERED CHARITY NUMBER: 313439

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST**

Sturgess Hutchinson (Leicester) Limited
21 New Walk
Leicester
LE1 6TE

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Report of the Trustees	1 to 7
Report of the Independent Auditors	8 to 9
Consolidated Statement of Financial Activities	10
Consolidated Balance Sheet	11
Trust Balance Sheet	12
Notes to the Financial Statements	13 to 23

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and activities for the public benefit

The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the general guidance issued by the Charity Commission on public benefit.

The principal objective of the Trust is to provide educational courses and seminars for the individual members of the trade unions that are affiliated trade unions. It also produces publications and carries out project work in support of these activities and for the wider benefit of the community.

Significant activities

With the enforced closure March – August of our main source of revenue, Quorn Grange Hotel and the general affect of the pandemic, naturally activities altered, impact, reach and influence continued successfully.

The professional network of trade union education officers continued regularly and successfully and grew. This was a vital form in the context of the general reduction in adult education spending and the announcement that the Union Learning Fund would cease in 2021.

There was a responsibility in the context of Covid to provide GFTU and Hotel staff with online learning opportunities. A new platform and suite of courses were established to facilitate this.

Our ten housing units remained almost consistently full throughout the year with no voids.

The F&GP of the GFTU was meeting weekly and had done through most of the period since March. Each meeting is informed by a full cash flow report for the Trust.

The hotel was part of a class action led by the Financial Conduct Authority against the insurance industry in order to try and enforce insurance support for the first lockdown period. Our brokers, Circle Insurances, were very helpful and there has been regular dialogue with them. In this case the courts originally ruled in our favour against the insurance companies they then appealed but unsuccessfully. This is the key financial priority for the organisation. This is the big variable in the budget planning.

The Trust incurred some additional expenditure (£3,000) to instruct a solicitor to rebut a potential legal claim against us by the contractor for the scale of our deductions for incomplete work from a previous invoice. The letter sent seems to have done the trick and we have not heard that the contractor will proceed with the matter. We were very successful.

The policy of seeking to diversify income streams has put us in good stead and without it over this last year we would have been in great difficulty. We are prioritising additional income from our Win Win services and Emplaw. The success of these of depend on buy in from affiliates and others on the wider market. We have promoted these to Labour, PC, SNP and Lib Dem MPs also, a large swathe of the charitable sector, industrial relations academics, local businesses and many others.

We advertised our bid writing and fundraiser positions widely including in the 30,000 reader Action Planning Newsletter which goes across the voluntary sector. We received two applications and interviewed on Monday 16th November.

We have budgeted to support a maximum of 8 students on each of our 2021 Northern College courses.

Access to Education Provision

After an inevitable hiatus the Trade Union Management Programme resumed and compliance with all Institute of Leadership and Management process has been checked and adjusted where appropriate.

Having started the work to be the End Point Assessment Organisation for the Trade Union Official's apprenticeship the Trust made an unsuccessful bid to the Education Skills Funding Agency to be registered in this role. Successful arrangements were subsequently made with the National Open College Network to achieve this.

During the year we changed online learning providers to Flick Learning.

The Young Members Development event went ahead by Zoom and was excellent covering rights at work, health and safety, history of the GFTU, the importance of the visual image in campaigning, international issues and other topics. Thanks to Sarah Ben and Dan and Zita.

Sales of GFTU badges have picked up since announcements about them appeared in the very excellent badge collectors' newsletter which you can see on our website.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The GFTU acquired an online employment law service in May to raise further funds for the Trust. Apart from being packed with useful information from a team of barristers, our Emplaw Newsletter does serve an educational and promotional purpose and reaches 3,000 people directly. This could potentially be a good source of income for the Trust.

The Trust has sponsored Edda Nicolson's 4 year part time PhD on the history of the GFTU up to 1926.

Useful discussions with Professor Keith Gildart about the idea of a joint funding bid with the Bishopsgate Institute for another post doc or PhD student to consider the history of the GFTU over the last transformative ten years were held.

The Trust remained party to the national coalfields study project looking at the history of nationalisation in the coal industry and their next event will be held in January 2021 in Quorn.

We are party to an international study co-ordinated in Canada looking at de industrialisation.

We are party to the Pen, Pistons and Press online project looking at working class literature and song in the nineteenth century.

Very interesting discussions were held with colleagues from the Nottingham Hill Area of London who have previously published successful books on the history of the black communities there and in particular the creation of the internationally famous carnival. A new oral history and analytical history is being produced of various key activists and issues over the years in that area. It is a very interesting mix of testimony, story and historical and cultural analysis. The Trust expressed an interest in considering this for publication through Workable Books.

The Trust would like to develop a gardening project on the hotel site to provide some of our own food and herbs and help maintain the quality of the gardens. As yet the relevant horticultural colleges are not responding.

Following the Centenary Commission on the future of adult education published last year and chaired by Dame Helen Ghosh there are two groups working to develop the ideas, one comprised of members of the commission and another of adult education academics. The Secretary joined the latter group.

Congratulations to former Chair John Smith on his OBE awarded in the birthday honours list.

The Trust continued to encourage schools to benefit from the political literacy project Shout Out.

Trustees undertook self directed learning from the Charity Commissioners' website which contains a lot of essential support material. Induction to new members and regular reports on our work were regularly received and considered.

The Trust continued to encourage schools to benefit from the political literacy project Shout Out.

Trustees undertook self directed learning from the Charity Commissioners' website which contains a lot of essential support material. Induction to new members and regular reports on our work were regularly received and considered.

The Bakers are utilising the opportunities provided in partnership with Northern College and kindly extended the work undertaken by their learning services team to staff at the GFTU and Hotel.

AEGIS. It has been agreed to provide team building training to AEGIS.

HCSA. We have assisted the HCSA with reviews of HR and GDPR.

Offers of training to staff

Coronavirus (UK), Information Security (Foundation), Foundation Skills: Data Protection (Core), Remote Working, Mental Health Awareness (Foundation Skills), Introduction to Health & Safety, Equality in The Workplace (Foundation), Disability and Discrimination, Learning to Learn, Assertive Communication, Business Administration, Customer Service Practitioner, Customer Service Specialist, Events Assistant, Production Chef, Commis Chef, Chef de Partie, Senior Chef Production Cooking, Hospitality Team Member, Hospitality Supervisor, Hospitality Manager, Certificate in Cleaning and Support Services Skills, Facilities Services Operative, Facilities Management Supervisor, Team Leader/Supervisor, Operations/Departmental Manager, and Learning and Development Practitioner.

Investment in classroom technology was made just before the lockdown.

Summary

Over the 49 year lifetime of the Trust in its busiest years with significant external funding it was creating learning opportunities for between 1,000-1,500 learners per annum. Having created such opportunities for 750 learners in the period of Covid has been a significant achievement.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Administrative, legal and financial

The outstanding issue relating to the title deed and ownership of the site was resolved and the Trust deed was amended to put the deed in the names custodian Trustees, Oshor Williams and Doug Nicholls. The new Trust Deed to bring this into effect has to be signed individually by all Trustees contrary to earlier legal advice we were given.

There are no formal license agreements in place with the other entities involved in this one enterprise, namely, the GFTU which occupies a building on site and the trading company which is our wholly owned subsidiary company set up to run the hotel. This will be attended to.

The Education Trust was subject to a significant cybercrime in 2019 which was reported immediately. Two thirds of the money defrauded was recovered, a remaining £93,000 is outstanding and was subject to a complaint to the financial services ombudsman last August and ongoing chasing.

Because of the difficulties posed by Covid the directors of our subsidiary company managing the hotel held weekly meetings to keep on top of developments.

The Hotel Directors asked the GFTU Executive whether they wanted to retain or dispose of the hotel. The Finance Committee of the GFTU met and unanimously and strongly recommended to the GFTU that the hotel is retained and made a success. This decision resulted in further loans to the Trust to enable continuity of provision.

GFTU direct employed staff have a percentage of their time and therefore salaries allocated to the work of the Trust. It should be noted that Mark Robinson has now been appointed full time Education Administrator and Georgia Wilkinson has been appointed full time marketing and communications officer across the organisation.

The annual audit began early, but was delayed due to the CV epidemic and the Charity Commissioners agreed to an extension of filing.

A new Head of Finance was appointed, Heather Bundock.

Win Win services make a small steady stream of income for the Trust.

Workable Books has created wonderful publications but our partner, New Internationalist has had considerable financial difficulties. They have agreed that the Trust can retain the name.

During the year the Trust contracted Paul Skitt to assist with the consideration of further education partnerships, two reports were presented.

Melantha Chittenden was welcomed during the year as a new Trustee.

Organisation and staffing of the Educational Trust.

Meetings are planned two years in advance.

Searches for new active Trustees are regularly undertaken.

Full training of Trustees is encouraged and the Charity Commissioners website is a regular source of support along with the receipt of publications in leaders and governance within the sector.

The Education Administrator's job description includes minuting and servicing the Trust meetings, but that has not yet proved possible. Attention to this will be needed.

Future plans

Trade Union Learning Centre.

At its most strategic we have identified an area of land on our Quorn site that could be developed into a larger training centre. The demise of adult residential funding to the adult education colleges during the year highlighted the need for alternative provision such as this.

Fundraising and development officer

Funding was agreed by the GFTU up to £100,000 for a two year project to appoint a skilled fund raising and development officer. No appointment was made within the year.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Appointment of Education Officer

The Trust works with the Durham Miners' Association (DMA). The DMA is 150 years old and organises the largest working class cultural gathering in Europe each year. It also owns the Redhills, Pitmans' Parliament, which English Heritage describe as one of the ten most important building in Britain. The DMA is restoring and renovating this building and already transforming it into a vibrant educational centre to celebrate the culture of the North East and become a centre of learning and economic development going forward. In conjunction with the DMA we want to appoint a skilled educationalist to organise and deliver popular education courses at Redhills. This would give the Trust a permanent presence in the North and a sustainable professional educational input for the DMA. The momentum created by such a post would generate sustainable funding over time but could not be less than an initial two year appointment. With on costs and related expenses this amounts to £100,000 over the two year period. If funding were available we would like to make such an appointment based in Quorn also.

Project Banner Theatre Song Book

Banner Theatre is Britain's premier trade union related political theatre and song group which mixes 'actuality' recordings and videos and photographs from people, with original song and theatrical scenarios. They have been performing for 50 years. In 2006 the Secretary of the Trust edited a collection of their songs with introductions, photographs and backgrounds of their work to that date. Since then another song book has been collected and the Trust has supported this by funding musical transcription, layout, and the curation of some photographs by world known photographers. The song book is complete and ready for publication, but as a colour production of such good photographs is desirable, the print and final design costs amount to £13,000.00. This would not just be a simple publication project. The songbook would be subject to a national tour of at least 40 venues reaching on average 100 people per venue in community and trade union locations and each performance would become a political/popular education event. The great issues of our time are accounted for in the songs and the discussions that would follow would be educational in their own terms. This tour would be part of the current initiative to cement future funding in place so that there is a permanent presence within the movement for Banner. Applications for funding for this project were considered during the year and await submission to a relevant funder.

Project River Thames CD

Many of the young musicians and singers with whom the Trust has worked over the years got together to conceptualise and start to curate a collection of songs relating to the working communities over the centuries who have lived and worked along the river Thames. Unique materials have been uncovered and new tunes written for some. Again the concept was not just to produce a CD but to create a permanent record with a website and a set of performances and discussions. The CD attracted very favourable national publicity in The Times, Morning Star, Folk News, Union Radio and many other outlets and made a surplus for the Trust.

Making Working Class history embedded again

The Trust has sought to establish its own series of day schools and as mentioned above produced several publications on history including a substantial illustrated history of Britain as shaped by the people.

This work needs to be embedded and extended and during the year positive discussions with the Workers Educational Association opened up.

We are therefore seeking the financial support to enable a conference on working class history resurrection to take place, funding for the next GFTU history Day school programmes and consideration of permanent sponsorship of a labour historian educationalist. The first two initiatives would require £10,000 and the latter could be discussed. As it happened plans to run these courses in 2021 were made on a cost neutral basis.

Core educational Programme

GFTU's extensive offer to trade unionists requires an annual funding stream of at least £300k. Within 2020 this moved almost wholly online and discussions were held with various potential future partners.

Sculpture

Quorn Grange Hotel's nearest neighbour is a granite quarry excavating company which has agreed to donate a large piece of granite for the GFTU ET to hire a sculptor to engage local residents and schools and young artists in the creation of a memorable work of art. The materials will be provided free of charge but the artistic and related commissioning fees are only at this stage estimated in the region of £50k.

Notting Hill Communities testimonies

The author and editor of an extremely important cultural history of black communities in Notting Hill is seeking to publish a substantial book of 6-700 pages and we would like to support this project by sourcing a proof reader, designer and publicity facility and printer. We are estimating around £10,000 required. We are hoping for a launch September 2021.

Online learning

We have purchased a new online learning facility and portal and require new materials. We would estimate £10,000 for production.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

The results of the year are set out in the consolidated Statement of Financial Activities on page 10 and show a surplus of £7,538 (2019 – £93,914 surplus). The group had net assets of £628,362 (2019 - £620,824) as shown on the Balance Sheet on page 10, represented by a restricted fund surplus of £1,270,596 (2019 - £1,486,872) and an unrestricted fund deficit of £642,234 (2019 - £866,048).

The trust continues to be, in part, financially supported by the Federation, which maintains adequate resources to fund the Trust's operations through the provision of Gift Aid. The Federation has assured the Trustees that it expects to maintain the Gift Aid payments to the Trust at a sufficient level to enable the Trust to continue its current activities.

In 2020 the General Federation of Trade Unions had a deficit of £369,906 (2019 – £138,034 deficit) and showed a surplus before Gift Aid of £30,094 (2019 - £261,966 surplus).

Reserves policy

The Trust has two funds, the General Reserve Fund, which the Trustees are free to use in accordance with the charitable objectives set out in the Trust Deed and the Restricted Reserve fund, which can only be used to fund the specific projects undertaken by the Trust. The Restricted Fund also includes the sum of £3,000,000, which the Trust is required to maintain under the terms of exceptional Gift Aid donated by the Federation in 2005. The Executive Committee of the Federation has varied the terms of the restriction to take account of fluctuations in the value of underlying investments. There is no governing requirement to hold a specific level of General Reserve, due to the financial support of the Trust by the General Federation of Trade Unions. At present the General Reserve stands at £642,234 deficit (2019: £866,048 deficit). The Trust's policy is to achieve positive general reserves over the medium term.

The Trust has established a small working group to monitor progress of the new build at Quorn.

Structure, governance and management

Governing document

The Trust, an unincorporated organisation, charity number 313439, is a recognised charity, operated under the rules of its Trust Deed dated 29 October 1970. The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed (as amended). The General Federation of Trade Unions has the power to appoint the Trustees, subject to there not being a majority of Trustees who are also officers, employees or Trustees of the Federation. The Trustees have reviewed the application and relevance of the Trust deed and made no amendments. Developments in legislation and guidance from the Charity Commissioners have been considered.

Appointment of trustees

The Trust Deed provides that the General Federation of Trade Unions may appoint trustees, subject to there being a majority of independent trustees. Should a vacancy for an independent trustee occur, the Trustees seek nominations for the individuals having regard to any specific skills needed.

We have been pleased to welcome new Trustees and induct them. The Trust offered 4 places for younger colleagues keen to learn about charity management.

Trustee induction and training

New trustees are fully briefed by the Secretary with regard to their legal obligations under the charities legislation, the content of the Trust Deed, the decision making processes and recent financial performance. Trustees are encouraged to attend appropriate external training events where they will facilitate the undertaking of their role.

Organisation

The board of trustees meet regularly to discuss the development of the Trust along with finance and issues relevant to the running of the Trust. The day to day operations of the charity are managed by the Secretary who has delegated authority, within the terms of delegation approved by the trustees, for all operational matters.

Related parties

The Trust continues to maintain its close relationship with the General Federation of Trade Unions whose principal activity is to provide services to members of affiliated trade unions. The Federation has confirmed its continuing support in order that the Trust can carry out its charitable objectives.

Risk management

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the financing of the Trust and its dependence of Gift Aid payments from the Federation. The Trustees are satisfied that all possible steps have been taken to mitigate those risks.

The risks and opportunities facing the trust in this sector have been under constant review.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference and administrative details

Registered Charity number

313439

Registered office

86 Wood Lane
Quorn
Leicestershire
LE12 8DB

Trustees

O Williams	Chair
L Ambler	
D Benbow	
S Orchard	
M Sanders	
N Rae	
A Pratten	
A Torsiello	
C Appleyard	
A Prochaska	
J Westerman	
M Chittenden	

Secretary

D Nicholls

Auditors

Sturgess Hutchinson (Leicester) Limited
21 New Walk
Leicester
LE1 6TE

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees responsibility statement

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

Auditors

The auditors, Sturgess Hutchinson (Leicester) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees on 29 October 2021 and signed on the board's behalf by:



O Williams
Chair of the Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Opinion

We have audited the group and parent charity financial statements of the General Federation Of Trade Unions Educational Trust for the year ended 31 December 2020 on pages seven to twenty two which comprise the Group Statement of Financial Activities, the Group and the Parent Charity Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the state of affairs of the parent charity and its subsidiary undertakings as at 31 December 2020 and of the incoming resources and application of resources, including income and expenditure of the parent charity and its subsidiary undertakings, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of 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 and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees annual report², other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report². 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees Responsibility Statement set out on page five, the trustees 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 parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by inquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We gained an understanding of the legal and regulatory framework applicable to the Charity and the sector in which it operates, drawing on our broad experience, and considered the risk of acts by the Charity that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and the Charities (Protection and Social Investment) Act 2016. We made enquiries of management with regard to compliance with these laws and regulations and corroborated any necessary evidence to relevant information.

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr David Goodwin (Senior Statutory Auditor)
for and on behalf of Sturgess Hutchinson (Leicester) Limited
Chartered Certified Accountants and Registered Auditors
21 New Walk
Leicester
LE1 6TE
29 October 2021

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Restricted fund £	Unrestricted funds £	2020 Total funds £	2019 Total funds £
Income and endowments					
Voluntary income:					
Gift Aid		-	400,000	400,000	400,000
Income from hotel trading activities		614,361	-	614,361	1,805,419
HMRC Covid-19 grants received		344,550	-	344,550	
Publications		-	-	-	-
Investment income	2	-	17	17	63
Incoming resources from charitable activities:					
Course fees, events and seminars		-	3,049	3,049	112,767
Grants receivable		-	-	-	-
Other incoming resources:					
Other income		-	117,387	117,387	15,773
Sale of assets		-	-	-	-
Total income		<u>958,911</u>	<u>520,453</u>	<u>1,479,364</u>	<u>2,334,022</u>
Expenditure					
Costs of hotel trading activities		1,148,555	-	1,148,555	1,790,544
Costs of training company trading activities		-	-	-	-
Expenditure on charitable activities		26,632	288,764	315,396	437,030
Governance		-	7,875	7,875	12,534
Total expenditure		<u>1,175,187</u>	<u>296,639</u>	<u>1,471,826</u>	<u>2,240,108</u>
Net income/(expenditure)	5	(216,276)	223,814	7,538	93,914
Transfers between funds		-	-	-	-
Net movement in funds		(216,276)	223,814	7,538	93,914
Net gains/(losses) on investments		-	-	-	-
Net movement in funds		(216,276)	223,814	7,538	93,914
Reconciliation of funds					
Total funds brought forward		<u>1,486,872</u>	<u>(866,048)</u>	<u>620,824</u>	<u>526,910</u>
Total funds carried forward		<u>1,270,596</u>	<u>(642,234)</u>	<u>628,362</u>	<u>620,824</u>

Continuing operations

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	9	7,108,534	7,047,334
Intangible assets	10	-	-
Current assets			
Stocks		4,966	11,183
Debtors	12	298,231	337,665
Cash at bank and in hand		<u>92,276</u>	<u>42,931</u>
		395,473	391,779
Creditors			
Amounts falling due within one year	13	(6,875,645)	(6,818,289)
Net current assets/(liabilities)		<u>(6,480,172)</u>	<u>(6,426,510)</u>
Total assets less current liabilities		628,362	620,824
Net assets		<u>628,362</u>	<u>620,824</u>
Funds	16		
Restricted funds		1,270,596	1,486,872
Unrestricted funds		<u>(642,234)</u>	<u>(866,048)</u>
Total funds		<u>628,362</u>	<u>620,824</u>

The financial statements were approved by the Board of Trustees on 29 October 2021 and were signed on its behalf by:



O Williams
Chair of the Trustees

The notes form part of these financial statements

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**BALANCE SHEET
AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	9	12,303	1,081
Intangible assets	10	-	-
Investments	11	6,866,069	6,772,969
Current assets			
Debtors	12	1,104,114	1,081,538
Cash at bank and in hand		<u>62,095</u>	<u>9,252</u>
		1,166,209	1,090,790
Creditors			
Amounts falling due within one year	13	(6,233,075)	(6,299,297)
Net current assets/(liabilities)		<u>(5,066,866)</u>	<u>(5,603,707)</u>
Total assets less current liabilities		<u>1,811,506</u>	<u>1,565,543</u>
Net assets/(liabilities)		<u><u>1,811,506</u></u>	<u><u>1,565,543</u></u>
Funds	16		
Restricted funds		2,387,351	2,413,983
Unrestricted funds		<u>(575,845)</u>	<u>(848,440)</u>
Total funds		<u><u>1,811,506</u></u>	<u><u>1,565,543</u></u>

The financial statements were approved by the Board of Trustees on 29 October 2021 and were signed on its behalf by:



O Williams
Chair of the Trustees

The notes form part of these financial statements

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

Basis of preparing the financial statements

The accounts (financial statements) have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102), and the Charities Act 2011 and applicable regulations. The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

1.1 Basis of consolidation

The consolidated accounts consolidate the individual accounts of the Trust and its subsidiaries GFTUET Trading Company Limited, Albion Education and Training Ltd and Third Age Challenge Trust. Intra-group trading is eliminated on consolidation. No separate statement of financial activities is presented for the parent undertaking in accordance with the UK GAAP.

1.2 Basis of accounting

The accounts are prepared under the historical cost convention, with the exception of investments which are included at market value.

1.3 Donations and similar incoming resources

Donations and similar incoming resources are included in the year which they are received, which is when the charity becomes entitled to the resource.

1.4 Gift Aid

Gift Aid is included in the year it is receivable.

1.5 Income from hotel trading activities

Income from hotel trading activities represents the total invoice value, excluding value added tax, of the sales made during the period and derives from the provision of services falling within the company's ordinary activities.

1.6 Investment income

Investment income is accounted for on a receivable basis, advised where necessary by the fund managers.

1.7 Grants receivable

Grants receivable are included in the year they are receivable. Where the charity acts as intermediary on a project and receives grant income on behalf of partner organisations, neither this income nor the matched onward payment to the partner organisation is reflected in the Statement of Financial Activities.

1.8 Investment gains and losses

Any gains or losses on the sale of investment assets and any gain or loss resulting from revaluing investment assets to market value at the balance sheet date are reflected within the Statement of Financial Activities.

1.9 Expenditure

Unless otherwise stated all expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. No expenditure is netted off incoming resources. All costs have been attributed to the functional categories of resources expended in the Statement of Financial Activities.

1.10 Fund accounting

The nature and purpose of the funds is explained in note 15. Grant funded income and expenditure is disclosed in the Statement of Financial Activities as restricted, where appropriate (see note 15).

1.11 VAT

The Trust operates a partial exemption VAT scheme. Any irrecoverable VAT is debited to the original expense to which it relates.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies – continued

1.12 Scholarship awards and grants

Scholarship awards and grants are charged against income in the year in which they are paid.

1.13 Taxation

The Trust and its subsidiary Third Age Challenge Trust are registered charities, and as such, have no liability to Income, Corporation or Capital Gains Tax. The subsidiary company, GFTUET Trading Company Limited, is liable to income, Corporation and Capital Gains Tax.

1.14 Going concern

The Group can continue its operations due to continued support from the General federation of Trade Unions.

1.15 Costs of hotel trading activities

Costs of hotel trading activities comprise the cost of sales, establishment, employment, administration, depreciation and financial costs of getting the income from the hotel trading activities.

1.16 Cost of training company trading activities

Cost of training company trading activities comprise the cost of sales, establishment, employment, administration, depreciation and financial costs of generating the income from training company trading activities.

1.17 Governance costs

Governance costs compromise all costs involving the accountability of the Group and its compliance with regulation and good practice. These costs include costs relating to statutory audit, professional fees together with an apportionment of overheads and support costs.

1.18 Intangible fixed assets

Negative goodwill represents the difference between the cost of acquisition and the fair value of the separate net assets of the business acquired. Negative goodwill is amortised through the profit and loss account in equal instalments over its estimated useful life of 5 years.

1.19 Tangible fixed assets

All fixed assets are stated at cost. Each purchase is considered on its merits as to whether it is a fixed asset irrespective of value. Depreciation is provided at rates calculated to write off the cost, less estimates residual value, of each tangible fixed asset over its expected useful life, as follows:

Office equipment	33% per annum straight line
Computer equipment	33% per annum straight line
Fixtures, fittings and equipment	15% per annum reducing balance
Property improvements	15% per annum reducing balance
Land and buildings	Not depreciated (see below)

Profit or losses on the disposal of the fixed assets are included within other recognised gains or losses in the Statement of Financial Activities. Realised and unrealised gains or losses in the value of the freehold property are taken to the General Fund.

The land and buildings in the Group balance sheet represent the investment properties in the Charity balance sheet. As such the land and buildings are held for their investment potential and the trustees are of the opinion that to depreciate the asset would not show a true and fair position during a period of refurbishment and improvement. To reflect the fair value of the land and buildings the assets were subject to the revaluation during the year which is shown in note 9 and reflected in the Consolidated Statement of Financial Activities for the year.

Non depreciation of the land and buildings is a departure from the accounting standards referred to in note 1. If depreciated over the generally accepted rate of 50 years additional depreciation of £40,700 would be charged to the Consolidated Statement of Financial Activities for the year.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies – continued

1.20 Investment properties

The investment property is included in the balance sheet of the charity at open market value without charging depreciation. Realised and unrealised gains or losses in the value of the investment property are taken to the General Fund. Property Improvements and Fixed & Moveable Assets & Equipment, purchased with the investment property, are depreciated in line with the group policies for tangible fixed assets depreciation as outlined in note 1.19.

1.21 Pensions

The Trust operates a Defined Benefit Pension Scheme for staff who all have joint contracts of employment with this entity and the General Federation of Trade Unions. The actuarial impact of the Pensions Scheme, including the net pension liability, is reflected solely in the accounts of the General Federation of Trade Unions.

This policy represents a true and fair override of the accounting standards referred to in note 1, as the trustees of the charity, in agreement with the executive committee of the Federation, are of the opinion this more accurately reflects the position of the General Federation of Trade Unions as the primary member of the scheme and main supporter of the Group as outlined in note 16.

The effect of this policy cannot be assessed with any certainty as the scheme liability has built up over a number of years, during which time, staff cost allocations to the Trust have been varied.

The pension costs of the staff who work for the Trust are charged to the income and expenditure account as they become payable.

2. Investment income

	2020 £	2019 £
Deposit account interest	<u>17</u>	<u>63</u>

3. Charitable activities costs

	Direct costs £	Support costs (See note 4) £	Totals £
Education	26,632	296,639	323,271
Training	-	-	-
	<u>26,632</u>	<u>296,639</u>	<u>323,271</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Support costs

	Staff costs £	Occupancy £	Other costs £	Governance costs £	Totals £
Education Training	196,881	22,319	69,564	7,875	296,639
	<u>196,881</u>	<u>22,319</u>	<u>69,564</u>	<u>7,875</u>	<u>296,639</u>

5. Net income/(expenditure)

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

	2020 £	2019 £
Auditors' remuneration	13,500	13,500
Depreciation - owned assets	56,877	82,699
Amortisation – intangible assets	-	-

6. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

Trustees' expenses paid for the year ended 31 December 2020 were £nil (2019 - £5,169).

7. Staff costs

	2020 £	2019 £
Wages and salaries	165,343	156,840
Social security costs	14,832	16,514
Other pension costs	16,706	19,614
Redundancy	-	-
	<u>196,881</u>	<u>192,968</u>

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

	2020	2019
Research and education officers	1	1
Project staff	-	-
Administration	10	10
	<u>11</u>	<u>11</u>

The number of employees that received emoluments of between £70,000 and £80,000 is 1 (2019 – 1).

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2020

8. Pensions

Staff of the parent charity have joint contracts of employment with the Federation and Educational Trust. The staff costs are administered by the Federation and a recharge is made to the trust based on the time spent on the Trust's activities. The net pension liability set out below is reflected in the accounts of the Federation.

The Federation is a member of the General Federation of Trade Unions Pension Scheme, a defined benefit scheme in the UK which covers various organisations on a combined basis. The Federation's share of the scheme equates to 62% (2019 - 64%) of net assets and future liabilities.

A full actuarial valuation for statutory funding purposes was carried out by a qualified independent actuary as at 31 December 2018.

An actuarial valuation report as at 31 December 2020 was carried out by a qualified actuary and the results of this valuation are reflected in the financial statements to 31 December 2020 as outlined below.

The major assumptions used by the actuary were:

	2020	2019
Weighted average assumptions to determine defined benefit obligations		
Discount rate	1.50%	2.10%
Salary increase rate	3.80%	3.90%
Pensions-in-payment increase rate (where linked to RPI)	2.80%	2.90%
Deferred pension increase rate	2.30%	2.10%
Price inflation rate (RPI)	2.80%	2.90%
Price inflation rate (CPI)	2.30%	2.10%
Assumed life expectancy on retirement at age 65		
Retiring today (member age 65)	22.3	22.3
Retiring in 20 years (member age 45 today)	24.0	23.9

	2020	2019
Amounts recognised in the balance sheet were as follows:	£000s	£000s
Defined benefit obligation	8,783	8,067
Fair value of plan assets	(7,508)	(7,033)
Net defined benefit liability	<u>1,275</u>	<u>1,034</u>

	2020	2019
Change in defined benefit obligation	£000s	£000s
Defined benefit obligation at end of prior year	8,067	7,463
Cost arising from employee service in reporting period	22	24
Loss on curtailments/changes/introductions	-	-
Interest expense	166	212
Benefit payments from plan assets	(282)	(313)
Participant contributions	7	7
Effect of changes in assumptions	803	463
Effect of experience adjustments	-	211
	<u>8,783</u>	<u>8,067</u>

	2020	2019
Change in fair value of plan assets	£000s	£000s
Fair value of plan assets at end of prior year	7,033	6,635
Interest income	146	189
Employer contributions	87	88
Participant contributions	7	7
Benefit payments from plan assets	(282)	(313)
Return on plan assets	<u>517</u>	<u>427</u>
	<u>7,508</u>	<u>7,033</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Tangible fixed assets

Group	Land and buildings £	Property improvements £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2020	6,721,583	379,434	498,649	7,599,666
Additions	99,909	-	18,168	118,077
Disposals	-	-	-	-
Revaluation	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	<u>6,821,492</u>	<u>379,434</u>	<u>516,817</u>	<u>7,717,743</u>
Depreciation				
At 1 January 2020	-	256,430	295,902	552,332
Charge for the year	-	28,797	28,080	56,877
Eliminated on disposals	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	<u>-</u>	<u>285,227</u>	<u>323,982</u>	<u>609,209</u>
Net book value				
At 31 December 2020	<u>6,821,492</u>	<u>94,207</u>	<u>192,835</u>	<u>7,108,534</u>
At 31 December 2019	<u>6,721,583</u>	<u>123,004</u>	<u>202,747</u>	<u>7,047,334</u>

The historical cost of the property included in land and buildings is £1,545,366.

Trust	Computer equipment £	Office equipment £	Total £
Cost			
At 1 January 2020	24,644	1,364	26,008
Additions	11,659	-	11,659
Disposals	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	<u>36,303</u>	<u>1,364</u>	<u>37,667</u>
Depreciation			
At 1 January 2020	24,345	582	24,927
Charge for the year	299	138	437
Eliminated on disposals	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	<u>24,644</u>	<u>720</u>	<u>25,364</u>
Net book value			
At 31 December 2020	<u>11,659</u>	<u>644</u>	<u>12,303</u>
At 31 December 2019	<u>299</u>	<u>782</u>	<u>1,081</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Intangible fixed assets

Group and Trust

Cost

At 1 January 2020 and 31 December 2020

Purchased
goodwill
£
1

Amortisation

At 1 January 2020 and 31 December 2020

1

Net book value

At 31 December 2019 and 31 December 2020

-

Goodwill arose on the purchase of the Quorn Grange Hotel investment property in 2012.

11. Fixed asset investments

**Investment properties
Trust**

	Quorn Grange Property £	Property improvements £	Fixed & moveable assets & equipment £	Total £
Cost				
At 1 January 2020	6,734,393	6,811	112,000	6,853,204
Additions	99,909	-	-	99,909
Disposals	-	-	-	-
Revaluation	-	-	-	-
	<u>6,834,302</u>	<u>6,811</u>	<u>112,000</u>	<u>6,953,113</u>
At 31 December 2020	<u>6,834,302</u>	<u>6,811</u>	<u>112,000</u>	<u>6,953,113</u>
Depreciation				
At 1 January 2020	-	4,233	76,004	80,237
Charge for the year	-	455	6,352	6,807
Eliminated on disposals	-	-	-	-
	<u>-</u>	<u>4,688</u>	<u>82,356</u>	<u>87,044</u>
At 31 December 2020	<u>-</u>	<u>4,688</u>	<u>82,356</u>	<u>87,044</u>
Net book value				
At 31 December 2020	<u>6,834,302</u>	<u>2,123</u>	<u>29,644</u>	<u>6,866,069</u>
At 31 December 2019	<u>6,734,393</u>	<u>2,578</u>	<u>35,996</u>	<u>6,772,967</u>

Investment properties were revalued at 31 December 2016 by an external and independent valuer.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2020

11. Fixed asset investments continued

Subsidiary undertakings

Trust	Unlisted investments £
Cost	
At 1 January 2020 and 31 December 2020	<u>2</u>
Net book value	
At 31 December 2019 and 31 December 2020	<u>2</u>

The trust holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
GFTUET Trading Company Limited	England and Wales	Ordinary	100
Quorn Grange Day Nursery Limited	England and Wales	Ordinary	100
Albion Education and Training Ltd	England and Wales	Ordinary	100

The subscribers to the shares of GFTUET Trading Company Limited and Quorn Grange Day Nursery Limited are D Nicholls and J Fray, trustees to the Trust and the Trust is the beneficial owner of those shares. Albion Education and Training Company Ltd is a wholly owned subsidiary of GFTUET Trading Company Limited.

For the year ended 31 December 2020 the Trust's subsidiaries reported the following results:

Company	Surplus/(deficit) £	Funds £
GFTUET Trading Company Limited	(237,627)	(1,016,387)
Quorn Grange Day Nursery Limited	-	(81,833)
Albion Education and Training Ltd	-	(84,924)

12. Debtors: amounts falling due within one year

Group	2020 £	2019 £
Trade debtors	41,071	121,237
Other debtors	257,160	216,428
Prepayments and accrued income	-	-
	<u>298,231</u>	<u>337,665</u>
Trust	2020	2019
	£	£
Trade debtors	40,501	135,934
Other debtors	155,265	120,416
Prepayments and accrued income	-	-
Amounts due from group undertakings	<u>908,348</u>	<u>825,188</u>
	<u>1,104,114</u>	<u>1,081,538</u>

Included within amounts due from group undertakings is £568,719 (2019 - £568,719) due after more than one year.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Creditors: amounts falling due within one year

Group	2020	2019
	£	£
Trade creditors	112,736	112,087
Amounts due to GFTU	6,183,957	6,237,187
Taxation and social security	85,042	74,080
Other creditors	430,656	294,334
Taxation	-	-
Accruals	<u>63,254</u>	<u>100,601</u>
	<u>6,875,645</u>	<u>6,818,289</u>

Trust	2020	2019
	£	£
Trade creditors	37,381	50,374
Amounts due to GFTU	6,183,957	6,237,186
Taxation and social security	-	-
Other creditors	3,937	3,937
Accruals	<u>7,800</u>	<u>7,800</u>
	<u>6,233,075</u>	<u>6,299,297</u>

14. Financial commitments

The Trust and the General Federation of Trade Unions are committed to making the following annual contribution to the General Federation of Trade Unions Pension Scheme:

	2020	2019
	£	£
Expiry date:		
Within one year	70,000	70,000
Within two to five years	280,000	280,000
In more than five years	<u>280,000</u>	<u>350,000</u>
	<u>630,000</u>	<u>700,000</u>

15. Analysis of net assets between funds

	Unrestricted	Restricted	2020	2019
	fund	funds	Total	Total
	£	£	funds	funds
Net assets	<u>(642,234)</u>	<u>1,270,596</u>	<u>628,362</u>	<u>620,824</u>
	<u>(642,234)</u>	<u>1,270,596</u>	<u>628,362</u>	<u>620,824</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Movement in funds

Group

Investment

The Trustees consider the capital element of the exceptional Gift Aid received in 2005 amounting to £3,000,000 should be treated as a restricted fund on the grounds that whilst the income from this capital fund can be used in accordance with charitable objectives set out in the trust deed, the capital fund itself cannot be expended. Accordingly the Statement of Financial Activities on page 9 has been presented to separately disclose the restricted funds is made each year to maintain the capital element of the 2005 exceptional Gift Aid at its market value.

During 2012 the Trust disposed of its managed investments portfolio and used the realised proceeds to purchase a hotel property and a limited company to operate the hotel business. As such, the income and expenditure from the hotel trading activities, and any realised or unrealised gain/(loss) on revaluation is treated as restricted funds in the Consolidated Statement of Financial Activities. During 2014 a training company was incorporated as a subsidiary of the hotel trading company and, as such, the income and expenditure from the training company trading activities is treated in the same manner.

Group	At 1 January 2020 £	Net movement in funds £	Transfers between funds £	At 31 December 2020 £
Unrestricted funds				
General reserve fund	(866,048)	223,814	-	(642,234)
Restricted funds				
Restricted reserve fund - investment	1,486,872	(216,276)	-	1,270,596
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>620,824</u>	<u>7,538</u>	<u>-</u>	<u>628,362</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General reserve fund	520,453	(296,639)	223,814
Restricted funds			
Restricted reserve fund - investment	958,911	(1,175,187)	(216,276)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>1,479,364</u>	<u>(1,471,826)</u>	<u>7,538</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2020

16. Movement in funds – continued

Trust

Investment

The Trustees consider the capital element of the exceptional Gift Aid received in 2005 amounting to £3,000,000 should be treated as a restricted fund on the grounds that whilst the income from this capital fund can be used in accordance with charitable objectives set out in the trust deed, the capital fund itself cannot be expended. Accordingly the Statement of Financial Activities on page 9 has been presented to separately disclose the restricted and unrestricted income and expenditure.

Trust	At 1 January 2020 £	Net movement in funds £	Transfers between funds £	At 31 December 2020 £
Unrestricted funds				
General reserve fund	(848,440)	272,595	-	(575,845)
Restricted funds				
Restricted reserve fund - investment	2,413,983	(26,632)	-	2,387,351
	<u>1,565,543</u>	<u>(245,963)</u>	<u>-</u>	<u>1,811,506</u>
TOTAL FUNDS				

17. Related party disclosures

Group

The Educational Trust was established by the General Federation of Trade Unions and continues to be supported financially by it. Financial transactions during the year included:

	2020 £	2019 £
Gift Aid donated by the General Federation of Trade Unions	400,000	400,000
Employment costs allocated by the General Federation of Trade Unions	196,881	192,968
Rent costs allocated by the General Federation of Trade Unions	-	-

The balance due to the General Federation of Trade Unions by the GFTU Educational Trust at the year end was £6,183,957 (2019 - £6,237,187) which is included in creditors.