

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

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 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.

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

Chair

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		1,486,872	(866,048)	620,824	526,910
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>1,811,506</u>	<u>1,565,543</u>
Funds	16		
Restricted funds		2,387,351	2,413,983
Unrestricted funds		<u>(575,845)</u>	<u>(848,440)</u>
Total funds		<u>1,811,506</u>	<u>1,565,543</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	-	-
	<u>-</u>	<u>-</u>

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
	£000s	£000s
Amounts recognised in the balance sheet were as follows:		
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
	£000s	£000s
Change in defined benefit obligation		
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
	£000s	£000s
Change in fair value of plan assets		
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	517	427
	<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>
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>
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

2

Net book value

At 31 December 2019 and 31 December 2020

2

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 fund	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Net assets	(642,234)	1,270,596	<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>

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.