

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

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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**

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

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
		6,847,205	6,968,645
Current assets			
Debtors	13	894,266	889,813
Cash at bank and in hand		96,885	104,053
		991,151	993,866
Creditors: amounts falling due within one year	14	(6,177,864)	(6,331,440)
Net current liabilities		(5,186,713)	(5,337,574)
Total assets less current liabilities		1,660,492	1,631,071
Total net assets		1,660,492	1,631,071
Charity funds			
Restricted funds	15	2,052,351	2,052,351
Unrestricted funds	15	(391,859)	(421,280)
Total funds		1,660,492	1,631,071

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

Analysis of support costs

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

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 £	<i>Total Funds</i> 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
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	778,292	193,671	189,833
Social security costs	20,039	51,831	20,039	18,544
Pension costs	21,998	34,957	21,998	22,477
	1,041,677	865,080	235,708	230,854

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

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

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

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

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	<u>1</u>
Amortisation	
At 1 January 2022	1
At 31 December 2022	<u>1</u>
Net book value	
At 31 December 2022	<u><u>-</u></u>
At 31 December 2021	<u><u>-</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 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>4,266,366</u>	<u>117,814</u>	<u>290,250</u>	<u>4,674,430</u>
At 1 January 2022	<u>4,409,734</u>	<u>82,226</u>	<u>306,494</u>	<u>4,798,454</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	<u>4,318,120</u>	<u>6,811</u>	<u>377,619</u>	<u>4,702,550</u>
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	<u>51,754</u>	<u>5,228</u>	<u>208,365</u>	<u>265,347</u>
Net book value				
At 31 December 2022	<u>4,266,366</u>	<u>1,583</u>	<u>169,254</u>	<u>4,437,203</u>
At 1 January 2022	<u>4,409,734</u>	<u>1,862</u>	<u>197,047</u>	<u>4,608,643</u>

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	<u>2,410,000</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 2022**

12. Fixed asset investments

Trust	Investments in subsidiary companies £
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	44,598	945	2,203
Amounts owed by group undertakings	-	-	856,787	839,807
Other debtors	43,888	90,646	29,290	38,490
Prepayments and accrued income	7,244	9,313	7,244	9,313
Deferred taxation	38,000	38,000	-	-
	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	6,396,295	6,161,661	6,210,319
Trade creditors	115,631	99,992	6,356	3,266
Other taxation and social security	66,710	50,099	-	-
Accruals and deferred income	139,032	304,831	9,847	117,855
	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>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

	<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 2021 £</i>
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>

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.